PURPOSE

The purpose of this document is to provide guidance to ensure that all persons responsible for effort reporting at the University of Nevada, Reno (University or UNR) have the necessary information to submit accurate and timely reports.

DEFINITION

Effort reporting, also known as effort certification, is the process of confirming that an employee's payroll distribution reflects a reasonable estimate of the employee's actual effort on all institutional activities.

Faculty, staff and students working on sponsored projects are required to report effort on sponsored projects on a systematic and reasonable allocation basis. The University uses the Effort Reporting System (ERS), a web based application, for the certification of effort. Each individual working on a sponsored project is responsible for timely and accurate completion of his/her own effort report. Principal Investigators (PI) are responsible for assuring that all payroll expenses charged to their sponsored project are certified. Administrative units shall provide assistance to investigators in order to enable the timely and accurate submission of effort reports. Additionally, administrative units shall ensure that employees receive the appropriate training for their specific role in the ERS.

BACKGROUND

The standards for documentation of personnel expenses to federal awards are found in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (§200.430(h)8). According to this regulation, while the University can initially charge salaries to sponsored project accounts based on budget estimates, it must have internal controls to review the interim charges and make all necessary adjustments so that the final amount charged to the federal award is accurate, allowable and properly allocated. The mechanism UNR uses for distributing salaries based on estimates of activity to be performed on sponsored project and other institutional accounts is the Payroll Action Form (PAF). Because the PAF is reliant on estimates of an individual’s planned activities in the future, the regulations require the employee to confirm, after the fact, whether the estimated plan did or did not occur and that the employee met his or her commitment of effort on the project.
POLICY ELEMENTS

**Effort:** Effort is work on institutional activities for which an employee is compensated.

**Accuracy:** The federal government recognizes that teaching, research, service and administration are intermingled in the daily activities of personnel. Thus, personnel working on sponsored projects are not expected to precisely report how they spend their time; instead, a reasonable estimate over a specified period of time based on a percentage of effort is acceptable.

Nonetheless, the federal government requires that salary charges are consistent with an individual’s effort in order to ensure that a sponsor is only charged for the amount of effort that directly benefited the scope of work identified for that particular sponsor. A payroll cost transfer is required if the difference between what was paid and actual effort was more than 5% of an employee’s salary over the effort reporting period.

**Committed Effort:** The amount of effort proposed in a sponsored project proposal or other project application that is accepted by a sponsor. It is the policy of the University that committed effort is either directly charged to the sponsor or is reported as cost share.

**Cost Shared Effort:** Mandatory, salary cap and voluntary committed cost share effort must be reported in the ERS during the reporting period in which the work was performed. The ERS only generates reports for employees who were paid from sponsored project accounts during the reporting period. Additional reports can be created for non-sponsored funded personnel who need to report cost shared effort by making a request to the research compliance program manager in the Office of Sponsored Projects (OSP).

**Effort Reporting Period:** Effort reports are generated for employees in reporting periods based on the type of employee contract. Classified employees report effort on a monthly basis. Salaried employees report on academic semesters. "A" contract faculty report twice per year. "B" contract faculty have two additional reporting periods: one for work performed during the non-contract days in December, January and spring break and a second reporting period for work performed during the non-contract days in May, June, July and August.

Effort must be reported in the period in which it occurs. Semester effort must be reported on a semester effort report. Overload effort must be earned and paid during non-contract reporting periods.

**Institutional Activities:** Institutional activities include all job duties or assignments for which an employee is compensated and that benefit the institution. In the effort reporting process, faculty, staff and graduate students certify their effort on sponsored projects as a percentage of their total effort on all institutional activities.

**Institutional Base Salary (IBS):** IBS is the annual compensation paid by UNR for individuals holding faculty appointments, whether that individual’s time is spent on research, teaching,
or other activities. IBS excludes any income that an individual is permitted to earn outside of their UNR responsibilities (e.g., consulting payments).

Institutional Base Salary:
- Includes regular salary for contractual duties on primary appointment.
- Excludes supplemental payments (one time or recurring), awards, allowances, stipends, activity pay, bonuses, incentive pay, administrative supplements and/or compensation for special programs and activities.
- May not be increased as a result of replacing UNR salary funds with sponsored projects funds.

PAYROLL COST TRANSFERS

Payroll cost transfers requested within two weeks of an upcoming effort reporting period should be accomplished by submitting a PR-45 form. If the payroll cost transfer will move expenses that are more than 90 days past posting or is for a project that will close in 45 days or less, the PR-45 must be accompanied by a Sponsored Project Cost Transfer Justification Form (OSP-6) detailing the reason for the untimely cost transfer request. Reporting periods and report generation dates are listed on the OSP website.

Payroll cost transfers within two weeks of the generation of an effort report, or after an effort report has been generated in ERS, must be accomplished through the cost transfer function in ERS.

ROLES AND RESPONSIBILITIES

Principal Investigator (PI): It is the PI’s responsibility to verify that all personnel expenses charged to their sponsored project account are accurate, allowable and properly allocated. To meet this, PI responsibilities are as follows:

- Communicate payroll allocation for individual employees to department administration.

- Review posted payroll expenses each month to verify that each employee is being paid the appropriate amount from the sponsored project account based on the employee’s effort.

- Ensure that employees are aware of how their assignments should be reflected on the effort report and that they promptly complete the effort certification.

Office of Sponsored Projects (OSP): OSP is responsible for providing oversight of the University’s ERS and designing and implementing the effort reporting policies and procedures. OSP provides training on the ERS and the related policies and procedures.
Pre-Reviewer: The pre-reviewer assigned in ERS is responsible for preparing effort reports for certification. Changes to the payroll data (via a cost transfer) may be necessary if there has been a change in an employee’s effort from what was originally planned and directed by the PAF. The pre-review is also an opportunity to manage salary cap issues, NIH K-award efforts, cost shared effort or other unique reporting requirements for various sponsors. The effort form is not available for certification until the pre-review has been completed.

If an employee has sponsored project payroll charges on accounts outside their home department, the department responsible for the project with the greatest percentage of sponsored project salary is responsible for pre-reviewing the effort report and conferring with the other department(s) to verify the accuracy of the reported effort.

Certifier: Students and temporary hourly employees who submit timesheets to payroll prior to being paid are exempt from certifying effort in the ERS. All other employees who work on a sponsored project are expected to certify their own effort report. Employees must verify that their effort has been charged to the correct account and communicate issues or errors to the PI and/or pre-reviewer. There may be instances where a supervisor or PI has a better understanding of how an individual spent his or her time on a sponsored project. In such circumstances, a PI or supervisor who has first-hand knowledge of how the employee spent his or her time during the reporting period may certify effort on behalf of the employee. In the event that an employee has more than one supervisor, the supervisor with knowledge of the greatest portion of the employee’s effort will be responsible to confer with the other supervisor(s) and mutually agree on the certifiable effort expended.

Once the effort report has been certified, it is considered final. It may not be revised except under unusual circumstances. Certifiers are advised to ascertain that the report is accurate prior to certification.

NON-COMPLIANCE

All effort reports must be certified within 28 days of the date the pre-reviewers receive notification that the reports have been generated for that period. Failure to certify within 28 days will result in the following:

Late Notice: The employee, the pre-reviewer, the departmental coordinator and the college administrator responsible for the account will receive a late notice after the end of the reporting cycle. Daily email reminders will be sent to all of the above until the effort report is certified.

Delinquent Notice: Fourteen days after the late notice, the employee, the PI, the departmental coordinator, the college administrator and the PI’s dean or director will receive a delinquent notice. At this time, the program manager for research compliance will recommend to the assistant vice president for research administration
that the PI’s accounts be put on administrative hold until all effort reporting has been completed.

Note: An exception to the non-compliance policy will be made for effort on clinical trials as payroll cost transfers are often delayed by several months or more due to funding. In this situation, effort reports may remain uncertified until the funding is received and the payroll cost transfer has been initiated in the ERS.