



## **Time and Effort Reporting Policy**

### **I. Purpose**

As a recipient of federal funds, Concordia University must comply with the Office of Management and Budget (OMB) Circular A-21 (Cost Principles for Educational Institutions). Section J.10 requires certification of effort to document salary expenses charged directly or indirectly against federally-sponsored projects. This process ensures that salaries and wages are properly expended and that actual effort is consistent with the originally anticipated (budgeted) effort. Concordia University's effort reporting policies and procedures are intended to meet this requirement.

Non-profit Organizations (other than colleges and universities) are governed by OMB Circular A-122 rather than OMB Circular A-21. Consequently, any non-profit organization which receives direct funding from the federal government but which has a contractual relationship with Concordia University is exempt from this policy. Notably, OMB Circular A-122 imposes distinct obligations on non-profit organizations for maintaining records related to compensation for personal services, some of which are more rigorous than those imposed by OMB Circular A-21. Based on Concordia University's relationship with any such non-profit organizations, Concordia University may seek annual certification of such non-profit organization's compliance with OMB Circular A-122 and the effort reporting requirements contained therein.

### **II. Policy Statement**

- 1.** Time and effort reporting shall reasonably reflect the percentage distribution of effort expended by Concordia University employees involved in federally funded grants, contracts, and cooperative agreements, and shall be incorporated into the records of the University. These reports shall reasonably reflect the activity for which the employee is compensated and shall encompass all activities on an integrated basis.
- 2.** Each employee whose time is committed to a federally sponsored project shall complete a time and effort report. This report is required regardless of whether such time is paid by a federally sponsored agreement, or is an unpaid contribution, i.e. cost share match. Committed cost sharing, either voluntary or mandatory, must be included in effort reports.
- 3.** Concordia University uses an "after-the-fact effort" reporting system. This indicates that the distribution of salaries and wages will be supported by activity reports signed by the Principal Investigator (PI).
- 4.** The Office of Research and Sponsored Programs (ORSP) is responsible for the distribution, collection, and retention of all employee effort reports. Individually reported data will be made available only to authorized auditors.

5. The Time and Effort report must represent, in percentages totaling 100%, a reasonable estimate of an employee's effort for the period being reported. Compensated effort includes all research, teaching, administration, service, and any other activity for which an individual received compensation from the University. *Note: It is recognized that research, instruction, and service are often inextricably intertwined and estimates will be necessary in most cases.*
6. Effort and payroll distributions are NOT the same. The effort reporting process is a method for confirming salary charges made to all sponsored awards. Payroll distributions are estimates of how effort is anticipated to be expended.
7. Certain sponsors limit the annual rate of salary reimbursement. Concordia University follows the guideline that states a faculty member should not be compensated in excess of their academic year salary. Nevertheless, PIs must still devote the full committed effort as proposed and awarded without regards to the salary reimbursement limitation.
8. The federal government can impose severe penalties and funding disallowances as a result of missing, inaccurate, incomplete, or untimely effort reporting. Concordia University expects that PIs will complete time and effort reports completely and in a timely manner. A new grant proposal submission will only be permitted if the PI's time and effort reports are up to date. Further, at the discretion of the administration, payment for effort expended on the grant may be withheld if time and effort reports are not complete. Concordia University also reserves the right to charge cost disallowances on sponsored projects resulting from the PI's failure to submit appropriate time and effort reports to the departmental operating account.

### III. Procedures

1. When a PI receives an award from an external sponsor s/he will prepare a projected distribution of effort for the expected duration of the grant. This will be based on the budget proposed to the sponsor and should be provided to the Office of Research and Sponsored Programs in the required format. The ORSP will provide this projection with the grant paperwork and budget to the Business Office.
2. Based on the projected distribution of effort through the life of the grant, the frequency of reporting required will be determined by the grant coordinator and the PI, which will be at least at the end of every academic period (May 31<sup>st</sup>, August 31<sup>st</sup>, and January 31<sup>st</sup>).
3. Based on the pre-determined frequency, the ORSP shall provide a blank time and effort report to each employee working on a sponsored project(s) on the last working day of the month for which a report is required.
4. Each employee receiving this report shall complete the actual percentage of effort for the given time period. S/he will sign the effort report to verify and obtain appropriate signatures.
5. Verification: **All employees must sign their own individual effort reports.**

In addition, the PI must review and verify all effort reports associated with their sponsored project(s) using suitable means of verification that the reported work was performed. If the PI is the employee completing the effort report, a department chair must verify the report. If the PI is a department chair, the Dean must verify the effort report.

**6.** Departments and/or PIs are required to return appropriately completed and signed effort reports to the Office of Research and Sponsored Programs no later than June 15<sup>th</sup>, August 15<sup>th</sup>, and January 15<sup>th</sup>.

**7.** The Office of Research and Sponsored Programs will review the time and effort report, confirm appropriate verification, and maintain the file.

**8.** Any salary reallocations or adjustments resulting from time and effort reports will be made as determined between ORSP and the Business Office.

**9.** Evidence of salary reallocations must accompany a modified effort report.