A. General. The University of Idaho (University) is required by federal regulations (2 CFR 200.430) and accounting standards to ensure that the allocation of compensation for all employees accurately reflects the work performed by these individuals in connection with sponsored projects. This document sets forth University policy for the commitment and verification of effort expended by university employees on sponsored projects.

B. Definitions.

B-1. Cost Sharing: The portion of the total project costs for a sponsored project that is borne by the University rather than the sponsor. See APM 45.08 for definitions of types of cost share.

B-2. Effort (also referred to as “actual effort”): the time spent in pursuit of a particular activity and expressed as the percentage of one’s University appointment devoted to one or more activities.

B-3. Effort Reporting: the process through which the University verifies and documents that the effort expended by an employee corresponds with the effort he or she has charged to or contributed to (as cost share) sponsored activity.

B-4. Institutional Base Salary (IBS): the annual compensation paid by the University to an employee, irrespective of the nature of the activities in which the employee is engaged while fulfilling the requisites of their appointment; e.g. research, instruction, service, and administration. IBS excludes any income that an individual may earn outside of the University. The IBS for each faculty member is enumerated in the faculty member’s annual salary letter. Charges for work performed on sponsored projects are only allowable at the IBS rate. (See 2 CFR 200.430)

B-5. Person Months: the method typically used in sponsored project applications to express the amount of effort that the Principal Investigators (PIs), other faculty, or key employees devote to a specific project, expressed in terms of time rather than a percentage of one’s appointment.

C. Federal Requirements. Failure to produce reasonably accurate estimates of effort, or to otherwise comply with federal cost requirements, can result in financial penalties, expenditure disallowances, withholding of future sponsored project awards by an agency, and damage to the reputation of the University. Providing inaccurate estimates of effort, whether knowingly or through carelessness or mismanagement, may be regarded as fraud and may subject the University and the certifying individual to civil proceedings and criminal prosecution.

D. Policy. Effort reporting begins at the proposal stage and is ultimately accomplished through review and verification of Effort Reports.

D-1. Proposal stage. When preparing proposals for sponsored projects, the primary responsibility for establishing a reasonable estimate of the effort necessary to carry out the project rests with the PI.

a) In determining the amount of effort that will be devoted to the proposed project, the PI must consider existing effort commitments to other sponsored projects, University duties associated with his or her appointment, and the ability of other key project personnel who are to be involved in the project to make contributions of effort necessary for its success.
b) In addition to ensuring that proposed effort commitment conforms to University expectations and policy, the PI must also make certain that it is consistent with the parameters established by the sponsor.

*Faculty Staff Handbook 3120, Faculty Obligations during Period of Appointment; 3140, Performance Expectations for Faculty; 3260, Professional Consulting and Additional Workload; 5600, Financial Disclosure Policy; 5650, Financial Conflicts of Interest in Public Health Service Research; and 6240 Conflicts of Interest and Commitment* provide additional information in regards to calculating the appropriate amount of effort to propose on sponsored programs.

c) While federal agencies may require that proposed effort be expressed in terms of person months, the University requires that employees verify actual effort expended in terms of percentages of effort. The Office of Sponsored Programs (OSP) will assist with the translation of effort between these two methods.

d) Calculating effort using a percentage basis fosters employee compliance with effort reporting requirements by encouraging an individual to estimate his or her effort on a given activity as a percentage of his or her total University activities rather than as a fraction of a fixed time-period (such as the forty-hour week). This process acknowledges that some fluctuation in effort levels is inherent in the conduct of academic activities.

D-2. Award Stage. Once a sponsor makes an award, the provisional effort commitments included in the proposal become mandatory, and the oversight and reporting of effort for faculty and staff associated with the award becomes required.

a) Because effort reporting is based on payroll records, it is crucial that Electronic Personnel Action Forms (EPAFs) are accurately and expeditiously completed and entered into the payroll distribution system. Salary allocations associated with a new award must be reviewed and approved by the PI(s) for the project prior to the entry of this information into EPAFs. Awards that are ending also need to be monitored to ensure EPAFs are completed to remove employees from these projects in a timely manner.

b) Consistent with committed effort, distributions of salary on sponsored project or cost sharing accounts should coincide with the commencement of actual effort by the employee on the sponsored project.

D-3. Effort Reporting.

a) Drawing on data from the university payroll distribution system, the Effort Report allows an individual to review payroll salary allocations, represented as percentages of total effort, and to indicate whether the allocations reasonably correspond to his or her actual percentage of effort expended on each project or activity.

b) Semi-annually an Effort Report will be electronically generated for and made available online to each employee whose compensation was partially or totally charged to or committed as cost sharing to a sponsored project.

c) Reported effort must be as accurate as possible. Up to five percent variance above or below the estimated effort for any given project is permitted without requiring modification of salary allocations.

d) In cases in which actual effort differs from estimated effort by more than five (5) percent or a project or activity is missing from the Effort Report, the employee shall notify the appropriate Department Grant Administrator that a change may be necessary to realign salary and effort.
e) Effort Reports must be completed within thirty (30) working days of the date they are released to the employee.

1) If circumstances occur that are outside the university’s control (e.g. weather conditions, power loss, etc.) the date for the Effort Report completion may be adjusted accordingly.

2) Effort Reports must be completed by the individual whose effort is being reported or by a person who has a suitable means of verification (direct and personal knowledge) of the effort expended.

i) PIs and Co-PIs should certify their own effort reports. PI’s, providing they have direct knowledge, can certify the Effort Reports of the employees working on their sponsored projects, but employees should complete their respective effort reports, if possible.

ii) Department Grant Administrators, or other administrators, are not presumed to have the requisite means of verification; they may complete effort reports only if they have a written and signed confirmation of effort by an individual with direct knowledge of the activities of the person for whom the report was generated and only when that individual is unavailable to complete the Effort Report.

iii) If extraordinary conditions preclude a faculty member from completing their Effort Report, and no written and signed confirmation of effort can be obtained, the faculty member's unit administrator or college dean will determine the best means for verification of effort expended.

3) Failure to certify Effort Reports in a timely manner may result in suspension of activity on any or all sponsored projects involved and limit the ability of the noncompliant individual to apply for other sponsored project funding.

E. Contact Information. For information and help please contact the Office of Sponsored Programs at 208-886-6651, or osp@uidaho.edu.