A. General. The University of Idaho (University) is required by federal regulations (2 CFR 200.430) and accounting standards to ensure that the allocation apportionment of employee compensation for all employees accurately reflects the work performed by these individuals in connection with sponsored projects. This document sets forth University policy and procedures for the commitment and certification verification of effort expended by university employees on sponsored projects. (see also APM 45.22).

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-2A-21. 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-3B-32. Effort Reporting: The process through which the University verifies and documents that the effort expended by an employee is commensurate with the effort he or she has committed to devote to those activities. Charges to or contributed to (as cost share) sponsored activity.

B-4. Institutional Base Salary (IBS): The annual compensation paid by the University for the appointment of 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 institutional base salary (IBS) for each faculty member is listed in the faculty member’s annual salary letter. Base salary may not be increased by replacing organizational salary funds with sponsored funds. See OMB Circular A-21, §108d(1); NIH Grants Policy Statement. Charges for work performed on sponsored projects are only allowable at the IBS rate. (See 2 CFR 200.430)

B-5. Person Months: The metric 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 Guidelines: As a recipient of sponsored project funding, the University must comply with federal regulations and procedures (2 CFR 200.430) to ensure that personnel expenses charged against sponsored project awards are allowable and allocable to those projects. 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.

C-1. OMB Circular A-21, §J10 requires that educational institutions maintain a payroll distribution system that allows for the documentation of salary and wage apportionment.

C-2. OMB Circular A-21, §J10 also requires that this payroll distribution system be supported by activity reports that offer reasonable verification of the effort expended by employees engaged in sponsored projects at the institution. Federal regulations acknowledge that a precise assessment of the factors that contribute to costs is not always feasible, given that instruction, research, service, and administration are inextricably intermingled in an academic setting. They, therefore, admit a degree of tolerance in the estimation of effort expended on sponsored research. See: OMB Circular A-21, §J10b(1)(c).

a) The University follows this directive by monitoring salary allocations and requiring periodic reporting of effort by any University employee whose salary is charged or cost shared to one or more sponsored projects.

b) Reported effort must be a reasonable accounting of all institutional activities for which an employee is paid by the University and must be validated by the employee whose activity is being reported or by responsible personnel who have suitable means of verifying that the work was performed. See: OMB Circular A-21, §J10b(2)(b).

e) 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 employee to civil proceedings and criminal prosecution.

D. Process/ProceduresPolicy. Effort reporting and certification begins at the proposal stage and is ultimately accomplished through review and verification of Personnel Activity Reports (PARs) 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.

See: 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 provides additional information in regards to calculating the appropriate amount of effort to propose on sponsored programs.

3050 Position Description; and 3260, Professional Consulting and Additional Workload for additional information regarding assessing 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. Expression and Calculation of Proposed Effort in a Proposal.** Proposed effort should be stated in terms that are consistent with sponsor requirements.

a) While federal agencies may require that proposed effort be expressed in terms of person months, the University requires that employees certify actual effort expended in terms of percentages of effort.

b) The Office of Sponsored Programs (OSP) will provide mechanisms to assist with the translation of effort between the two metrics a) above.

c) Calculating effort using a percentage basis fosters compliance with effort reporting requirements by encouraging an employee 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-3. Accurate Tracking of Effort via the Electronic Personnel Action Form (EPAF):**

Because the PAR System is based on payroll records, it is crucial that the Electronic Personnel Action Forms (EPAFs) both for new awards and for terminating awards are accurately and expeditiously completed and entered into the payroll distribution system.

a) 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 the payroll system.

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

c) In consultation with the employee, the Grant Administrator (GA) provides the cost shared effort to be included.

**DC-2. Award Stage.**

**D-4. Unit and PI Effort Management.** 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 (see APM 45.22 B-3) 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.

a) Faculty and staff with salary charged to or committed as cost sharing for one or more sponsored projects must: review initial salary allocations, regularly monitor actual effort, and certify effort through the completion of a PAR.

b) PARs must be completed by faculty and professional staff three times per year as indicated on the Effort Reporting Calendar located at, and monthly for all "other" employees. The University defines the classification of "other" as including classified staff, RA/TAs, and temporary employees paid from two or more sources of which at least one is a sponsored project. [ed. 4-12]

C-3.: Effort Reporting. The mechanism by which effort is verified and reported is the Effort Report.

a) Drawing on data from the University payroll distribution system, the Effort Reports 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 Department Chair or College Dean will determine the best means for verification of effort expended.

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.

D-5. Personnel Activity Report Form (PAR). The mechanism by which effort is verified and reported is the University of Idaho Personnel Activity Report (PAR):

a) The electronic PAR system is located in the University of Idaho VandalWeb System.

b) Instructions and training on PARs is available on the Training tab of the OSP website.

c) In consultation with the employee and PI, the GA provides the cost-shared effort to be included in effort reports.

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

D-6: Completion and Certification of PARs. Drawing on data from the University payroll distribution system, the PAR allows an employee 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.

a) At the close of each academic term (for faculty and professional staff) or monthly (for all employees in the “other” classification), a PAR will be electronically generated for, and made available online to, each employee whose compensation was either partially or totally charged to, or committed as cost share to a sponsored project.

b) PARs must be completed within 30 working days of the date they are released for completion.

c) If percent of effort allocations reasonably reflect actual effort expended during the reporting period, the employee confirming the accuracy of the data in the form should certify the effort report by selecting the “complete and submit” option that states: “I confirm that the above percentages of effort represent a reasonable distribution of the work performed by me during the period **/**/**** to **/**/****.”

d) If, the salary allocations included in the report are not commensurate with actual effort, the employee completing the effort report should indicate the appropriate percentages of effort or provide an explanation for the discrepancy in the “notes” section of the PAR. The employee completing the effort report should then select the “provisional complete and submit” option that states: “The above percentages of effort do not represent a reasonable distribution of the work performed by me during the period **/**/**** to
**/***/****. A payroll cost adjustment will be processed to correct this effort
distribution.”

i) In cases in which actual effort differs from estimated effort by more than five (5)
percent, the certifier shall notify the appropriate GA that a payroll cost transfer should
be done to realign actual and apportioned effort. (See D-7(c), below, for information
on parties responsible for certification of effort.)

ii) A payroll cost transfer request must be submitted and processed within 45 working
days of the provisional certification.

iii) Upon final completion of the payroll adjustment in the payroll ledger by Payroll
Services, the PAR that was provisionally approved will be reset by the Office of
Sponsored Programs (OSP).

iv) The employee will receive email notification that the PAR is ready for recertification.
The PAR must be recertified within 30 days of receipt of this notice.

v) In the event that an effort report does not include a project or activity for which the
employee expended effort during the reporting period, the employee shall contact the
GA for resolution.

D-7. Unusual Circumstances: The University has made certain provisions to account for unusual
circumstances with effort certification.

a) If circumstances occur that are out of the University's control (e.g. weather conditions,
power loss, etc.) dates for PAR certification may be adjusted accordingly.

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

c) The University requires, in keeping with federal regulations, that an effort report be
certified by the employee whose effort is being reported or by a responsible employee
who has a suitable means of verification (direct and personal knowledge) of the effort
expended. (See OMB Circular A-21 110c(2)(c)).

i) PIs and Co-PIs should certify their own effort reports. PIs, providing they have direct
knowledge, can certify the effort reports of the research staff working on their
sponsored projects, but staff should complete their respective effort reports, if
possible.

ii) Grant Administrators or other administrators are not presumed to have the requisite
means of verification; they may certify effort reports only if they have written and
signed confirmation of effort by an employee with direct knowledge of the activities of
the employee for whom the report was generated and only when that employee is
unavailable to perform the certification.

iii) If extraordinary conditions preclude a faculty member from certifying his or her effort,
and no written and signed confirmation of effort can be obtained, the Vice President
for Research and Economic Development, or his/her authorized designee, will
determine the best means for verification of effort expended.

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