

SOM- Department of Obstetrics and Gynecology	TITLE: Monthly Time and Effort Reporting Policy	Policy: FI004
Department Guideline	Date: October 3, 2005	Rev. 0
Approvals:		
Chairman/Date	Dept. Manager/Date	

URL for this policy is: <http://www.mcg.edu/POLICIES/7004.html>

*Medical College of Georgia Administrative Policies and Procedures
Office of Primary Responsibility: Division of Sponsored Program Administration
No. 7.0.04*

Effort Reporting Policy

1.0 Purpose

This policy establishes institutional requirements for reporting effort on extramurally sponsored projects. Compensation for personnel services constitutes the largest component of the expenses charged to sponsored projects so it is important that the effort is charged correctly to the projects. Effort reporting is a process required by the federal government to verify that direct charges for salary to Federally sponsored agreements are reasonable and reflect actual work performed. The Office of Management and Budget (OMB) requires that distribution of salaries, whether treated as direct or facilities and administrative (F&A) costs must be documented in the accounting system. OMB Circular A-21 requires that the allocation of salaries will be accomplished by a method which will be in accordance with the criteria in A-21, will produce an equitable distribution of charges for employee's activities, and distinguishes employees' direct activities from their F&A activities.

2.0 Guidelines

The institution's effort reporting system must meet the following standards:

- The system will be incorporated into the official records of the institution, reasonably reflect the activity for which the employee is compensated, and encompass both sponsored and all other activities on an integrated basis.
- The system must recognize the principle of after-the-fact confirmation or determination that costs distributed represent actual costs.
- The system will reflect activity applicable to each sponsored agreement and to each category (instruction, research and other sponsored activity) needed to identify F & A and the functions to which they are allocable.
- The system will reflect categories of activities expressed as a percentage distribution of total activities.
- The system will provide for modification of an individual's salary distribution commensurate with any significant change in work activity. Short-term (one or two pay periods) fluctuation between workload categories need not be considered as long as the distribution of salaries and wages is reasonable over the longer term, such as an academic period or budget period.
- **Certifications must be signed by either the employee, the principal investigator, or by responsible officials using suitable means of verification**

that the work was performed, stating that salaries and wages charged to sponsored agreements as direct charges and to F & A cost or other categories are reasonable in relation to work performed.

- The system will provide for independent internal evaluations to ensure the system's effectiveness and compliance with the standards.
- For systems that meet these standards, the institution will not be required to provide additional support or documentation for the effort actually performed.

3.0 Policy

3.1 Faculty and all employees paid from sponsored funds are required to certify their effort. Monthly, the employee, Principal Investigator, or responsible individual using suitable means of verification that the work was performed, will sign a statement certifying that the effort reported as research, instruction, and other sponsored activities is reasonable in relation to the work performed. If the effort expended is substantially different than the payroll distribution, a journal entry will be generated to correct the payroll distribution. The Effort Reports will be submitted electronically on a timely basis so that necessary corrections to the payroll system can be made.

3.2 Effort Reports should reflect only the activity for which the faculty member is compensated by the institution.

4.0 Requirements

4.1 Government sponsors expect to pay only for those portions of employee effort that are actually devoted to their projects. MCG is subject to audit to enforce this expectation. As a general rule, exempt employees should understand how their salary charges are being distributed, and should verify for themselves that there is a reasonably close relationship between the charges and the effort devoted to the project. For research assistants and support staff, the allocation decisions are often made by the Principal Investigators, who are assumed to be most knowledgeable about the relationship between effort devoted and benefit received. It is therefore appropriate for the Principal Investigator to certify the Effort Report for these individuals.

4.2 Proposals should accurately represent the amount of time that key personnel are committing to the project.

4.3 Administrative management of the project and administrative activities such as bid and proposal preparation should not be considered as direct project research.

4.4 Total effort cannot exceed 100% and should include only those activities for which the individual receives compensation from the institution.

4.5 When cost-sharing commitment consists of direct effort on a sponsored project, federal regulations require that this effort be accounted for in the same manner as the direct effort that is reimbursed by the sponsor under the agreement.

All faculty and those staff members supported by sponsored accounts are required to complete an MCG Time and Effort report each month.

I. Why is Time and Effort Reporting important?

- a. Effort reporting is a process required by the federal government to verify that direct charges for salary to federally sponsored agreements are reasonable and reflect actual work performed.
- b. The Office of Management and Budget requires that distribution of salaries, whether treated as direct or facilities and administrative (F&A) costs, must be documented in the accounting system.
- c. Government sponsors expect to pay only for those portions of employee effort that are actually devoted to their projects. Employees should verify for themselves that there is a reasonably close relationship between the charges and the effort devoted to the sponsored project.

II. When do I complete my Time and Effort Report?

- a. You must complete your Time and Effort Report on a monthly basis.
- b. Once the Department Manager has received notification from the School of Medicine that the Time and Effort reports are available, he will distribute the reports for your signature.
- c. The Time and Effort report you receive will have a memorandum attached stating the deadline for submitting your report and who to submit it to.

III. How Do I complete my Time and Effort Report?

- a. You will receive your Time and Effort Report with "New % Distribution" and "Part 3 – Activity and Percent Effort" filled in for you.
- b. You are to verify the values entered in the report for accuracy and provide updated information if it is incorrect.**
- c. Once this has been completed, you are to submit your signed report to the administrative office.

IV. What happens once your Time and Effort Reports are submitted?

- a. The Department Manager will use the information you provided on the report to enter your information into the webapp program for Time and Effort.
- b. The department maintains original signed Time and Effort reports and printouts of the Time and Effort reports from the webapp program for Time and Effort.