

Number: PPD-0224
Subject: Office of Sponsored Programs – Effort Reporting*

POLICY:

As a recipient of federal funding, the Virginia Institute of Marine Science (VIMS) is required to comply with the [Office of Management and Budget Circular Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards \(“Uniform Guidance”\)](#). VIMS must maintain a system of internal controls that provides reasonable assurances that personnel charges are accurate, allowable, and properly allocated, supported by confirmed effort statements submitted in a timely manner.

SCOPE – WHO MUST COMPLY:

- All individuals within VIMS who manage sponsored projects, are involved in allocating compensation charges to sponsored projects, have committed effort (whether through direct salary support or cost share) to sponsored projects or are responsible for confirming effort statements.
- All units, faculty, staff and graduate students of VIMS involved in the administration of or compensated efforts toward a sponsored project.
- All individuals involved with the administration and conduct of federally sponsored award activity, including sponsored program administrators, principal investigators and other research personnel must comply with this policy.

PURPOSE:

An effort reporting system must provide records on how individual participants on federally funded sponsored agreements actually spend their time. Compensation charges to sponsored projects are initially made based on anticipated estimates of activity, provided that they reasonably approximate the activity expected to be performed. Uniform Guidance Section §200.430(c) states, “It is recognized that teaching, research, service, and administration are often inextricably intermingled in an academic setting. When recording salaries and wages charged to Federal awards for IHEs (Institutes of Higher Education), a precise assessment of factors that contribute to costs is therefore not always feasible, nor is it expected.”

The charges are evaluated quarterly and modified as necessary based on variances between the estimate and actual effort. All necessary adjustments to compensation charged to sponsored projects must be made such that the final amount charged to the sponsored project reasonably reflects the effort expended and thus is accurate, allowable, and properly allocated.

This effort reporting is subject to federal audit and can be cause for institutional or individual disallowances.

Institutional disallowance can result if:

- The time certification report was certified by an individual other than the employee or someone who has “first hand” knowledge of 100% of the employee’s time
- The time certification report does not encompass all of the activities performed by the employee under the terms of their employment
- The levels of effort reported do not appear reasonable, given the responsibilities of the individual

Individual disallowance can result if:

- The time certification report certified by the individual is found to be falsified
- The levels of effort do not appear reasonable

PROCEDURES:

Funding sheets (Attachment A) are prepared on a quarterly basis to reflect each affected employee’s anticipated time allocation across all activities by Banner indices for the quarter. Redistribution of salary can occur at any time during the quarter (Attachment B). Time certification reports (Attachment C) also occur on a quarterly basis as an after-the-fact review to ensure that the final salary amounts charged to each sponsored project on the funding sheets is a reasonable reflection of the effort expended.

<u>Reporting Period</u>	<u>Funding Sheets Due</u>	<u>Pre-Review Period</u>	<u>Certification Period</u>
1 st Quarter	Mid-June	Early-Mid Oct	Mid Oct-Mid Nov
2 nd Quarter	Late Sept/Early Oct	Early-Mid Jan	Mid Jan-Mid Feb
3 rd Quarter	Late Dec/Early Jan.	Early April	Mid-April
4 th Quarter	Late March/Early April	Mid-May	Mid July

DEFINITIONS

Quarters:	First (1 st)	June 10-September 24; consisting of 7 pay periods
	Second (2 nd)	September 25-December 24; consisting of 6 pay periods
	Third (3 rd)	December 25-March 24; consisting of 6 pay periods
	Fourth (4 th)	March 25-June 9; consisting of 5 pay periods

Affected Employees: those employees whose compensation is funded by multiple sources of funds over the course of any period, usually due to grants and contracts, but can also be due to private gifts and state funding.

Approval Flow: Funding Sheets – Prior to Beginning of Each Quarter

1. The Sectional Finance Officer works with the Principal Investigator (PI)/Supervisor of affected employees to complete the associated Funding Sheet. Once completed, the Financial Officer signs and submits the form to the Office of Sponsored Programs (OSP).

2. All grant and contract indexes listed on the Funding Sheet are approved by the OSP Administrator who specifically oversees that grant or contract, or their designee in OSP.
3. Upon completion of review and approval by OSP, the Funding Sheets are reviewed by the Budget Director in the Office of Finance for accuracy and funding availability on sources other than grants and contracts.
4. Once approved by the Budget Director, the Funding Sheets are submitted VIMS' Accountant and Financial Analyst who enters the funding allocations into the Banner Human Resource System.

Note: Redistributions of affected employee time allocations go through the same process and approval flow, but can occur at any point during the quarter.

Approval Flow: Time Certification Reports – At the End of Each Quarter

1. Sectional Finance Officers distribute the time certification reports to their section/unit's affected employee's immediate supervisor/PI (Certifier), who reviews the time certification report(s) for accuracy and makes changes, if applicable. The time certification report must be signed by either the employee, or their immediate supervisor (Certifier). For redistributions made after time certification report(s) are signed and submitted, a justification must be attached and approved by the OSP Director documenting the reason for the change after certification.
2. Time Certification Reports are returned to the Office of Finance by the end of the certification period associated with each quarter. The VIMS Accountant and Financial Analyst makes any changes required and maintains a log of all-time certification reports.

Unaffected Employees: those employees whose compensation is funded by a constant source(s) of funding other than grants or contracts that rarely changes based on activity.

Certifier: The certifier is attesting that he/she has *sufficient technical knowledge and/or is in a position that provides for suitable means of verification that the work was performed*. There are circumstances when it may be appropriate for the certifier to delegate this responsibility to another individual, a designee, associated with the project.

Banner Index: a number assigned within the Banner Financial Accounting System which allows financial activity to be tracked by fund source, organization, and program.

Position Funding Worksheet (Funding Sheets): a form prepared quarterly for each affected employee that distributes 100% of their estimated time across all fund sources by Banner Index (Attachment A). This form represents a best estimate of how each employee's time will be spent during the ensuing quarter.

Redistribution of Labor Charges Form (Redistributions): a form prepared for an affected employee used to make changes in time allocations (Attachment B). It can be completed at any time during a quarter and submitted to the same approval flow as the Funding Sheets. If the

redistribution request is made after time certification for that quarter is complete, it must be accompanied by a justification, and approved by the Director of OSP.

Time Certification Report: a form produced from the Banner Human Resource System for affected employees in which the employee, or their immediate supervisor, certifies with reasonable assurance the final quarterly distribution of 100% of their time allocation is in accordance with activity. Final changes in time allocations can be made directly on this form (Attachment C).

*Note: This policy was modeled after Harvard University's policy on effort reporting.

Rev. April 6, 2020

Semantic Updates: October 2023

Attachment A

**BANNER
POSITION FUNDING WORKSHEET**

NAME: _____ **FY BUDGETED SALARY:** _____
DEPARTMENT: _____ **QUARTERLY SALARY:** _____
POSITION NUMBER: _____ **MONTHLY SALARY:** _____
BANNER ID NUMBER: _____ **BANNER SALARY ACCOUNT:** _____

BEGIN DATE	BANNER INDEX	PERCENTAGE	FOR DEPARTMENTAL USE ONLY:	
			BASED ON END DATE OF:	FUNDED AMOUNT
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
			TOTAL FUNDED AMOUNT	_____

REVIEWS: **DEPT. BUDGET MANAGER:** _____
SPONSORED PROGRAMS: _____
BUDGET OFFICE: _____

This is an Institutional budget document, anticipating future payroll distribution for the employee. Formal approval for employee funding is provided by the Personnel Action Form (PAF). Formal approval of charges is provided by the quarterly payroll certification form.

Attachment B

**VIRGINIA INSTITUTE OF MARINE SCIENCE
REDISTRIBUTION OF LABOR CHARGES**

EMPLOYEE NAME _____ POSITION NUMBER _____

BANNER ID _____

REDISTRIBUTION OF ORIGINAL DISTRIBUTIONS:

<u>Banner Index</u>	<u>Salary Account</u>	<u>New Pay Period Distributions Center</u> (Payroll ID & Number in Each Column)					
		Payroll: _____					
1	_____	_____	_____	_____	_____	_____	_____
2	_____	_____	_____	_____	_____	_____	_____
3	_____	_____	_____	_____	_____	_____	_____
4	_____	_____	_____	_____	_____	_____	_____
5	_____	_____	_____	_____	_____	_____	_____
6	_____	_____	_____	_____	_____	_____	_____
7	_____	_____	_____	_____	_____	_____	_____
8	_____	_____	_____	_____	_____	_____	_____
9	_____	_____	_____	_____	_____	_____	_____
	Total	_____	_____	_____	_____	_____	_____

FIND AND REPLACE

<u>Payroll ID & Number:</u>	<u>Find Index:</u>	<u>Replace with Index:</u>
1	_____	_____
2	_____	_____
3	_____	_____
4	_____	_____
5	_____	_____
6	_____	_____

REVIEWS: DEPT. BUDGET MANAGER _____
 SPONSORED PROGRAMS _____
 BUDGET OFFICE _____

This document adjusts previous payroll posting(s). Formal approval of payroll distribution is provided by the quarterly payroll certification form.

Virginia Institute of Marine Science

Time Certification Report

20-JAN-16

Reporting Period: September 25, 2015 - December 24, 2015

Payroll # 19 - 24

Dept	Home Orgn	Description	Name	ID	Position	Description	Fund	Orgn	Acct	Prog	Sum	Total Percentage
141103	Biological Sciences				BO061V	ESG Departmental Operating	122502	14V200	611230	110513	6,171.65	35.00%
						Hamm's Creek, MD - Kellogg	775421	14V100	611230	110043	2,979.74	25.00%
						Lynnhaven River NOW	719251	14V100	611230	110043	0.00	0.00%
						Oyster Reef Ecosystem	718761	14V100	611230	110043	2,979.77	25.00%
						VMU Lovelock Marine Science Research	716501	14K100	611230	110043	1,767.84	15.00%
											11,919.20	1.00

Your review and signed confirmation serves as the institution's official documentation of the accuracy of your labor allocation for the time period under review.

Employee Signature

Date