

# MEMORANDUM

**To:** Fund 43 Administrators

**From:** Grants Accounting Office

**Date:** May 16, 2006

**Subject:** Effort Reports -Fund 43

**Effective Date:** Immediately

## Purpose

As a condition of receiving federal funding, institutions must maintain an accurate system for reporting the percentage of time that employees devote to federally sponsored projects. An effort reporting system serves as the principal means for certifying that the salaries and wages charged to federally sponsored projects are consistent with the effort contributed. All employees involved in certifying effort must understand that severe penalties and funding disallowances could result from inaccurate, incomplete, or untimely effort reporting. The guidelines have been established in OMB Circular A-21, Section A-21, and Section J.10 Compensation for personal services.

[http://www.whitehouse.gov/omb/circulars/a021/a21\\_2004.html#j](http://www.whitehouse.gov/omb/circulars/a021/a21_2004.html#j)

## Policy

Bowie State University effort reports will reflect an after the fact reporting of the percentages distribution of activity of employees method as described in OMB Circular A-21, Section J.10 (2). Charges may be made initially on the basis of estimates made before the services are performed, provided that such charges are promptly adjusted if significant differences are indicated by activity records. Under this system the distribution of activities by Bowie State University employees paid on government grants will be supported by semester reports for Faculty and monthly for all others confirming that effort expended on these projects closely approximates the actual salary distribution for the period.

## Procedure

Effort reports are generated on a semester basis for all Faculty charged to any sponsored program and covers the period list below. For the purpose of this policy, winter will not be considered a separate semester. Effort reports for non faculty employees will be generated on monthly bases and distributed by the Grants Accounting Office.

- |                      |                 |
|----------------------|-----------------|
| 1 September- January | Fall Semester   |
| 2. February –May     | Spring Semester |
| 3. June –August      | Summer Semester |

Any one that worked on a sponsored project, but was paid entirely from non-sponsored funds must request a blank report form. These are handled on an exception basis. The effort report must be submitted by employees not charged to the Grant if employees are used for the purpose of cost sharing.

### EFFORT REPORTS

- The salary column (which includes fringes) of the report is pre-printed with salary information. This area shows the actual distribution of charges during the survey period.
- If you find the pre-printed salary figures do not accurately reflect the payroll expenses for the survey period, please correct them. All payroll reallocations must support all alterations or revisions made by the Principal Investigator or responsible person to the pre-printed salary figures. These revisions must be initialed by authorized personnel.
- The Salary% calculations are based on the actual salary amounts charged to each DeptID/ProjID.
- **% Effort Assigned column:** Enter your percentage of effort, in whole numbers, for each Dept ID/ProjID from which you were paid. Your percentage of activity should be equal to or greater than your percentage of salary from each grant source. Percentage of activity entered greater than the salary received is considered cost sharing. Note the actual effort can differ from the actual salary charged by less than 5% over the semester with without a salary reallocation.
- Activity on sponsored programs on which you have worked, but received no salary, should be listed here. List the DeptID/ Project ID number on the blank line and your effort percentage in the designated column. All activity listed in this section is cost sharing.
- **Total Activity:** Add all of the percentages entered for the various activities. The total must be 100% of your time spent for the salary shown in the last column.

- **Faculty members electing to have their pay allocated over 12 months (26 pay) should write 0% effort in the % effort column on summer effort reports. This portion was actually earned during the academic year, not from any effort occurring during the summer period.**
- **For non-grant related compensation write 0% “Non-Grant” in percent effort column if all 3 conditions are satisfied;**
  - 1) if actual amount paid shown on effort report is non grant related**
  - 2) If salary was earned outside the normal working hours.**
  - 3) If position is 100% grant funded.**
- **Signature Section:** Each individual should sign his or her own report. If the individual is not available (no longer with BSU) the report may be signed by that person’s supervisor or the Department Director.
- **All effort reports must be returned to the Controller’s Office within thirty (30) days after date of issuance. Failure to return effort reports may result in the project inactivation.**

To confirm that the distribution of effort represents a reasonable estimate of work performed by the employee during the period, the effort report will be signed by the employee or by a responsible person in a position of authority with respect to the employee. Examples of such positions include Principal Investigator, Director, Chair, or Dean. It is neither permissible nor appropriate for a department support, person, such as a secretary, administrative assistant, program assistant, or office manager, to sign the effort report. It is important that whoever signs the report has suitable means of verification that work. The certification of the effort asserts, in writing, the accuracy of the effort being reported.

If you have any questions concerning these reports please contact me at (301) 860-3468 or by email at [hcornish@bowiestate.edu](mailto:hcornish@bowiestate.edu).