



Effort Reporting Policy

Scope: All campuses served by Louisiana State University (LSU) Office of Accounting Services.

Effective: July 1, 2017

Policy Statement

As a recipient of federal funding, Louisiana State University is required to comply with the Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, as well as other federal requirements, for certifying effort expended on sponsored awards. LSU requires all individuals who receive sponsored funding to comply with University policies and procedures, and sponsoring agency regulations regarding the proposing, charging and reporting of effort to awards.

Effort certification in Workday is an after-the-fact reflection of an employee's workload percent distribution during a particular reporting period. All academic, professional, and classified employees whose salary is paid in whole or in part on a grant account will receive an effort certification on a quarterly basis. The employee (or his/her delegate) must verify the accuracy of effort percentages and certify that the information captured on the effort certification is a direct reflection of the work performed within the reporting period of certification.

Reason for Policy

The Uniform Guidance Subpart E 200.430 contains the federal regulatory requirements for internal controls over certifying time expended on sponsored projects. The University's practice is to utilize an after-the-fact effort reporting system to certify that salaries charged or cost shared to sponsored awards are accurate, reasonable and consistent with the work performed. The employee's effort is first assigned to a specific worktag related to the sponsored agreement using a costing allocation based on anticipated activities. Actual effort expended on each account is reviewed by an Effort Certification Reviewer (ECR) and then certified by the employee or a delegate. The ECR step is an administrative review of reviewing and/or approving effort certifications for all employees with payroll assigned to their organization (cost center). A delegate is someone who has first-hand knowledge of the work performed. All effort certifications are a reasonable estimate of how time was expended by worktag.

Institutional base salary (IBS) is annual compensation paid by the University for an Employee's Appointment (9 or 12 months), whether that individual's time is spent on research, teaching, or other activities. IBS does not include any temporary funding (i.e. bonus, one-time payment, incentives). Additionally, IBS does not include payments from other organizations or income that individuals are permitted to earn outside of their University responsibilities, such as consulting. IBS must be used as the base salary on all grant proposals unless there is a statutory limit on compensation (i.e. NIH cap). Summer salary is calculated based on the IBS of the academic year.

Responsibilities

Effort reporting is a federal compliance requirement. There are many individuals involved in this process and each one has a role in ensuring that certifications are accurate and complete.

University Academic, Professional, Classified Employees - Responsibilities

Costing allocations assigned to University academic, professional, and classified employees are expected to properly reflect the percentages of work performed to the correct funding accounts. If the effort certification is correct the employee will certify their effort. However, if there is a correction to be made the employee will work with the ECR to ensure a Payroll Accounting Adjustment (PAA) is created to correct the time and effort for that period.

It is recognized that teaching, research, public service, and administration are often entangled responsibilities in an academic setting. When recording salaries and wages charged to Federal awards for Institutions of Higher Education (IHE), an assessment of factors that contribute to base salary, administrative duties, and additional jobs are broken out to report the time spent on each activity by the percent of responsibility for each task and only those allowable will be charged to Federal programs.

Department Academic Unit and Effort Certification Reviewer – Responsibilities

Departments enter the correct costing allocations or make changes to the costing allocations as they are informed of the proper allocation. Administrative staff in departments should also review ledgers with Principal Investigators on the sponsored agreements to ensure costing allocations are a reflection of the work performed, and if necessary, PAAs if corrections are needed.

On a quarterly basis when effort is processed, the transaction will route to the ECR to review. If the certification is accurate the certification will be approved and then route to the employee who will then certify the effort presented properly reflects time worked. If there are changes needed the ECR will process the allocation correction(s) before the employee certifies the effort transaction.

Accounting Service/Sponsor Program Accounting – Responsibilities

Sponsored Program Accounting (SPA) will run the effort certifications on a quarterly basis. Effort certification will incorporate all salary changes and PAAs for the applicable time period.

Recertification of Effort Certification

If a PAA is processed for an effective period in which effort has already been processed or certified then the department needs to request for the effort certification to be canceled and regenerated. Once the effort certification is regenerated the employee will certify the new effort certification.