

Purpose

As a recipient of federal funds, Moravian University must comply with the Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (“Uniform Guidance”) as well as other federal requirements for certifying effort expended on sponsored awards. Moravian requires all individuals who receive federal sponsored funding to comply with institutional policies and sponsoring agency regulations regarding the proposing, charging, and reporting of effort on those awards.

Personnel are paid from grants based on the *anticipated* amount of time they will spend on the project in a future period (such as paying a month of faculty salary for a summer project), therefore they need to certify *retroactively* that they did in fact devote the commensurate amount of time to the work. All faculty, staff, and students who receive any compensation from a federal award or a non-federal award where the non-federal sponsor requires effort reporting are required to certify their effort. This process ensures that salaries and wages are properly expended and that actual effort is consistent with the committed and budgeted effort.

2 CFR Chapter II Part 200 Subpart E §200.430 of the Uniform Guidance includes the federal regulatory requirements for compensation for personal services. This includes but is not limited to the specified Standards for Documentation for Personnel Expenses. Moravian’s Time and Effort Reporting Policy is intended to meet these requirements.

Policy Statement

Definition of Effort

Effort Reports shall reasonably reflect the percentage distribution of effort expended by Moravian faculty, staff, and students involved in sponsored projects. The Effort Report must represent, in percentages totaling 100%, a reasonable estimate of an individual’s actual effort for the period being reported. 100% effort is defined as the effort expended to accomplish the full set of activities for which an individual received compensation from the University regardless of the number of hours expended on those activities. 100% effort is not defined as a certain number of hours or days per week. It does not depend on FTE status.

- A) Sponsored project activities
- B) Institutional (non-sponsored) activities:
 - Teaching
 - Research (excluding externally funded research)
 - Service

% Effort on A + % Effort on B must equal 100%

Note: 2 CFR Chapter II Part 200 Subpart E §200.430(i)(1)(x) 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 [Institutions of Higher Education], a precise assessment of factors that contribute to costs is therefore not always feasible, nor is it expected.”

Employees to Whom This Policy Applies

Each faculty, staff, or student whose time is partially or fully committed to a federally sponsored project shall complete Effort Reports as required. Reporting is required regardless of whether such time is paid by the sponsor, or is an unpaid contribution (i.e., an “in-kind” or cost share match). Committed in-kind or cost share matches, whether voluntary or mandatory, must be included in Effort Reports.

Supporting Documentation

The number of hours implicit in an individual’s 100% effort must be supportable to department, University, and external reviewers, if requested. Principal Investigators/Project Directors (PIs/PDs) are advised to consult supporting documentation such as their calendar, work product, time log, leave reports, etc., and to keep this supporting documentation in the event of an audit.

Certification of Effort

Federal requirements stipulate that anyone certifying another individual must have first-hand knowledge of that individual’s actual effort. Therefore, each faculty member is responsible for certifying his or her own Effort Report. The PI/PD is responsible for certifying the Effort Report of non-faculty project staff.

Reporting System

Moravian uses an “after-the-fact” effort reporting system to certify that salaries charged or cost-shared to Sponsored Projects are reasonable and consistent with the work performed. This indicates that the distribution of salaries and wages will be supported by activity reports signed by the employee and certified by a responsible person with suitable means of verification that the work was performed at the end of the specified reporting periods.

Reporting Periods

Moravian University has three reporting periods that follow the University’s academic calendar: fall, spring, and summer. Each certification period lasts one month.

Academic Period	Period of Performance	Certification Period
Fall Semester	September 1 – December 31	January 1 – 31
Spring Semester	January 1 – May 31	June 1 – 30
Summer	June 1 – August 31	September 1 – 30

Payroll Context

Effort Reports and payroll distributions are not the same. Payroll distributions are estimates of how effort is anticipated to be expended. The effort reporting process is a method for confirming

salary charges made to all sponsored awards. Federal grant pay should be paid over the period that the services are performed. Please note that NSF guidelines state that a faculty member should not be compensated in excess of 2/9 of their academic year salary for summer work. Nevertheless, PIs must still devote the full committed effort as proposed and awarded without regard to the salary limitation.

Roles and Responsibilities

The Director of Foundation Relations is responsible for the distribution, collection, and retention of all employee Effort Reports. Individually reported data will be made available only to authorized auditors. PIs/PDs will be responsible for verifying that the information provided by any individuals working on their grants is accurate.

Compliance Issues

The federal government can impose severe penalties and funding disallowances as a result of missing, inaccurate, incomplete, or untimely effort reporting. Moravian expects that faculty, staff, and students will complete Effort Reports accurately and in a timely manner. Auditors will comment on any of the following:

- Late reports
- Effort certified by someone without first-hand knowledge
- Percentage of effort outside of sponsored project is not sufficient to cover teaching, service, and other work
- Revisions to Effort Reports
- Significant inconsistencies between the Effort Report and other related documentation

This policy has been reviewed and accepted by the President's Council on June 5, 2018.

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