

## 503-006-A: Compensated Effort Procedure

This procedure implements CSU systemwide policy for Sponsored Programs Administration: [Sponsored Programs Compensated Effort Policy](#) (ICSUAM #11003.06).

### Summary

The purpose of this procedure is to ensure the University Corporation's (Corporation) compliance with federal regulations governing payroll verification, specifically Title 2 of the Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Section 430 (Compensation).

This procedure is applicable to exempt staff and faculty who are expected to charge their time to federally sponsored awards and other sponsored and non-sponsored funds in line with the effort expended on all institutional activities. This procedure is not applicable to non-exempt, hourly paid employees who complete a time report for hours worked on each project (in this case, the time report is the certification of effort on the sponsored project).

### Process

#### Planned Effort

Released Time (Reimbursed or Cost Shared) and/or Additional Employment is proposed and authorized prior to proposal submission as part of the Proposal Review and Approval process. At project set-up the Sponsored Programs Office (SPO) will work with Corporation Post-Award to ensure that proposed effort is reviewed with the PI during the transition. The PI is responsible for obtaining prior approval for Released Time and/or Additional Employment from the College Dean or designee at the beginning of the project or the period budgeted in the approved project budget.

#### Documentation for Compensated Effort

The Corporation utilizes after-the-fact method to certify that salaries charged, or cost shared to sponsored awards, are reasonable, allowable, and consistent with the work performed. An Effort Certification Statement (ECS) is completed to document the full effort for each exempt employee. Cost-shared effort is included on the ECS and also documented on the Cost-Sharing Worksheet.

- A. The University Corporation's Post Award Office is responsible for gathering data on employee effort, producing and distributing the (ECS) monitoring completion of the forms, comparing effort data against budgeted commitments, and maintaining the certification records.
- B. For Faculty additional employment, Corporation HR will send monthly Corporation payroll reports on additional employment to University Personnel for University compliance with the CSU Additional Employment Policy and to Corporation Post-Award Admin for inclusion on the ECS and to facilitate compliance with 2 CFR 200.430 compensated effort documentation requirements.
- C. Each individual receiving an ECS shall be responsible for reviewing the ECS for accuracy and signing and returning the ECS to the University Corporation Post Award Office (or other designated office) in accordance with effort reporting deadlines. The Principal Investigator (PI) may verify the work performed of their program staff.
- D. The PI is responsible for ensuring the timely completion and return of ECSs related to their projects. Each PI shall be responsible to certify effort corrections in excess of 5% for any individual working on their project as well as any recertification of previously certified effort. The PI is responsible for notifying SPO when the PI disengages from the project for more than three months or effort is reduced by 25% or more.
- E. Department Chairs, College Deans and/or AVP/VP (if applicable) shall be responsible for oversight in the compliance of effort reporting within their respective areas.
- F. The University Corporation Payroll Office and CSUMB Payroll Office are responsible for providing salary information to the University Corporation Post Award Office.

## **Roles & Responsibilities**

**PI:** The PI or designee is responsible for:

1. Ensuring that Department Chair, College Dean or designee has approved Released Time and/or additional employment, if applicable.
2. Timely review and certification of their ECS – and ensure completion of the ECS forms related to their funded projects or certification when employees are unavailable to sign the form timely;
3. Notification of the SPO when PI disengages from the project for more than three months, or overall effort is reduced by 25% or more.

**Dean (or other administrator):** The Dean or designee is responsible for:

1. Authorization of proposed effort (Reimbursed/ Assigned Time and/or Additional Employment) during the Proposal Review/Approval process;
2. Approval of reimbursed or cost-shared effort and/or additional employment at the beginning of the project or the period budgeted for the effort; and
3. Oversight of effort reporting compliance within their respective area.

**Corporation Human Resources:** Corporation HR is responsible for generating monthly reports of additional employment paid for Corporation employees and providing report to UP and Post-Award.

**University Personnel:** UP is responsible for reviewing the monthly Corporation HR additional employment reports and ensuring that faculty effort is in compliance with the CSU Additional Employment Policy.

**Corporation Post-Award Admin:** Corporation's Post Award Admin is responsible for:

1. Coordinate with PI at project start-up to ensure that all effort proposed is accurate and facilitate any necessary approvals;
2. Consolidation of all compensated effort on the ECS and distribution of the form after each academic period (fall, spring and summer) for PI review and timely certification;
3. Review of completed effort certifications and processing of any effort adjustments on any revised ECS forms.

**SPO:** SPO is responsible for:

1. Ensuring that the appropriate effort (release time and/or additional employment) is included in the proposed budget and coordination with Corporation on transition from pre to post-award administration;
2. Facilitation of prior approval from Sponsor when PI effort is reduced by 25% or more

## **References**

For Definitions, refer to [CSU Sponsored Programs Definitions Policy](#), (ICSUAM #11001.01).

- A. 503-007-A: Cost Share Procedure
- B. Collective Bargaining Agreement (CBA) [Article 36](#), Faculty Additional Employment and [HR 2002-05](#), Additional Employment Policy
- C. DHHS memo regarding overload approval
- D. University Corporation Timesheet
- E. Uniform Guidance ([2 CFR 200](#)) – Cost Principles [§200.430 Compensation -- personal services](#)
- F. [CSU Sponsored Programs Compensated Effort Policy](#) (ICSUAM #11003.06)

## **Guidelines**

Faculty and staff are expected to charge their time to sponsored awards and non-sponsored funds in line with the effort expended on all institutional activities. The employee's payroll is first assigned to specific funds in the PeopleSoft system based on anticipated activities. Once actual effort is expended on a given project, a responsible person, generally the Principal Investigator or other individual with an understanding of the activities performed, verifies that the payroll distribution of the individual is reasonably in line with effort expended.

## **Additional Employment:**

Corporation will utilize the Corporation's Faculty Additional Employment (FAE) Approval Form to facilitate prior approval of additional employment on sponsored projects in compliance with the CSU Additional Employment Policy (HR2002-05).

## **Hours and Rate Calculations:**

University Administrative Systems Management will provide Corporation Post-Award with a report of compensation including the job code and job description fields. This allows the Corporation to identify multiple appointments and calculate the hours and hourly rate appropriately for each individual appointment a faculty member may have. Special Consultant payments should be limited, but the Corporation will coordinate with UP to ensure that the effort/hours are calculated appropriately for Special Consultant payments that are required to be incorporated on any ECS. The LCD dashboard may also be used to provide job code and payroll distribution information once access is granted to the Corporation.

## **Post-Award Process:**

1. Consolidate Compensation Data – The consolidation process begins approximately 90 days after the end of the term (Spring, Summer, Fall) to allow all journal entries adjusting payroll to be posted and all reimbursed time invoices from the University to be processed.
2. Determine number of hours in the reporting period
3. Request Reports –
  - a. Request reports on hours and time worked from University Administrative Systems Management and Corporation HR/payroll offices
  - b. Run report on all Corporation payroll accounts.
4. Prepare Buyout Report –
  - a. University invoices for buyout are received within 90 days of the end of the academic term/ reporting period
  - b. Invoices are reconciled with the Corporation Buyout Workbook and processed for reimbursement
5. Generate reports on Corporation exempt (salaried and hourly) employee payroll
6. Combine University and Corporation data into one file for upload into Access DB, then review and reconcile effort
7. Verify Effort Certification Statements – The Effort Certificates are checked by the Post Award Accountant for accuracy before distributing to employees
8. Print effort certs
9. Verify and generate final certification statements for distribution
10. Effort Certification Distribution and Collection – Effort certificates are to be generated approximately 120 days after the end of each term. Once the Post Award Accountant has verified the accuracy of the effort certificates, the Accounting Clerk will be notified the Effort Certificates are ready for distribution. Refer to Section III.C., above, for PI responsibilities. Notices are sent to PIs to ensure that certifications are returned – refer to Sample Cover Email, below.
11. For assistance with effort certifications, PIs or staff may contact the post-award accountant.
12. Recording Receipt of Effort Certification Statements –
  - a. Effort Certification is checked by the Corporation Accounting Clerk to verify: 1) Signer is authorized; and 2) Effort Certificate Statements with noted adjustments of 5% or greater are copied to the Post Award Accountant.
  - b. The Post Award Accountant will work with the Post Award Specialist(s) for the affected grant to have a Revenue and Expense Transfer Form completed by the PI and processed by the Post Award Specialist with

Post Award Manager approval.

- c. For Certifications with no adjustments, the Accounting Clerk will check the received box for the Effort Certificate in the Tracking section of the Microsoft Access Effort Reporting System.
- d. The Accounting Clerk will file the signed Effort Certification Statement in the 3-ring binder for the certificate's term in alphabetical order by last name.