

POST-AWARD ADMINISTRATION

Policy Sequence 10.1.10
Effort Reporting

Updated October 2007

PERSONNEL EFFORT CERTIFICATION SYSTEMS
CALIFORNIA STATE UNIVERSITY, DOMINGUEZ HILLS FOUNDATION

**TIME AND EFFORT REPORT
CERTIFICATION AND DOCUMENTATION**

Cost principles applicable to grants, contracts, and other sponsored agreements between federal agencies and educational institutions are contained in Office of Management and Budget Circular A-21 (OMB A-21). The Circular is intended to establish a consistent framework of cost accounting principles through which sponsored work by colleges and universities for the Federal Government can be fairly and effectively performed.

Subsection J.10.b contains the requirements that the distribution of professorial (faculty) and professional work between activities must be documented and supported by an effort reporting system. Generally, an “effort reporting system” should meet five informational criteria:

1. “Reports” will reflect the distribution of activity expended by each employee covered by the system.
2. “Reports” will reflect an after the fact reporting of the percentage of activity of each covered employee.
3. Each “report will account for **100 percent** of the **activity** for which the covered employee’s obligations to the institution. The “report” will **reasonably** reflect the percentage of activity applicable to each covered cost category.
4. Each “report” will be signed by the employee or by a responsible official having first hand knowledge of the work performed and by the Dean.
5. For each covered professorial and professional staff, the “reports” will be prepared each semester.

PERSONNEL EFFORT CERTIFICATION SYSTEMS (PECS)

The California State University Dominguez Hills Foundation (Foundation) have developed a personnel effort reporting methodology that complies with both the Federal regulations described in OMB Circular A-21 and University personnel reporting requirements. This methodology incorporates reporting, certification, verification and records retention.

The PECS guides the preparation of a document which summarizes the “effort” of employees, which is recorded on “Personnel Effort Reports Form (PERF)”. “Effort is converted to dollars (as a percentage of salary) in order to quantify “effort” for federal reporting purposes, on a project by project basis. Responsibility for this task may be delegated to departmental grant/contract employees if mutually agreed upon. In cases where Departments prepare PECS documents, Foundation shall verify and approved the produced report.

Employees who are covered (covered employees) by the PECS are those employees who fall into the following categories:

1. University employees **released** to work directly on a federally sponsored program(s) administered by the Foundation on a **reimbursed** basis.
2. All Foundation and University employees assigned to work directly on a sponsored program administered by the Foundation in circumstances where such work is **not** recorded as an expenditure to the grant (i.e., cost sharing).

University faculty or administrative staff whose normal university assignment simultaneously meets and is being used for sponsored project cost sharing requirements must be included in the PECS. When such cost-sharing requirements exist, the three elements of the PECS described below must exist. Authorization will consist of appropriate memoranda signed by the respective Dean, Department Chair and Project Director to signify knowledge of, approval of and agreement with the action.

PECS reporting is required for all grants when the grant award includes **any** funding from the federal government whether the federal funds are awarded to CSUDH Foundation directly or are “flowed through” from a non-federal granting agency. Effort reports may be completed for awards from state or local governments, corporate organizations, Foundations or other sponsors.

PECS Implementation Elements

In order to ensure the effectiveness of the PECS, the following process has been developed which includes the Reporting Format/Elements and the following critical components: Authorization, Effort Certification, Review/Adjustment Process, and Recordation/Retention described below:

Reporting Format/Elements

The primary data source for the PECS is a form called the Personnel Effort Report (PER). Each covered employee shall have a PER which includes the following elements:

1. Name of covered employee
2. Department and/or College
3. Period/Semester covered by report
4. Estimated Distribution of Effort (expressed as a Percentage* of total effort – Budget and Actual)
 - a) Instruction/University supported activity
 - b) Sponsored projects (by project number/title)
 1. Reimbursed Time
 2. Overload
 3. Cost-Sharing (mandatory or voluntary)
5. A certification statement

The after-the-fact certification documenting the distribution of activity expended during the reporting period based upon a **reasonable** estimate of work performed.
6. Signature by covered employee or knowledgeable official
7. Dean's Signature
8. Verification of report review

(*The California State University System has negotiated with the U.S. Department of Health and Human Services that “percent-of-effort” shall be the reporting basis for professional and professorial (faculty) employees, not weighted Teaching Units [WTU].)

A sample PER is included as Attachment 1. Note that the percentage of total effort is recorded both on a “Budgeted*” as well as on an “Actual**” basis. Detailed information as to the source of data for these line items is included in the section titled “Effort Certification.” Basically, the information for the categories is collected from existing Foundation and University records by personnel in the Foundation Office for Grants and Contracts. Cost sharing is accounted for by recording authorizing documentation into the PERS back up data, on a semester basis, by Grants and Contracts personnel. As computerized systems become available these procedures will be automated as much as possible.

*”Budgeted Percentage of Effort” is the percentage of a covered employees effort according to the PER categories which was planned and approved in advance of commencing work on a project.

”Actual Percentage of Effort” is the percentage of a covered employees total effort **actually expended in each of the PER reporting categories during the course of working on a project.

Authorization

The documented decision which identifies personnel subject to the PECS to be assigned directly to sponsored work for a specified period is known as “Authorization.”

Documentation

1. The basis for each employee’ assignment to each federally sponsored project must be properly documented.

A. Release Time

Documentation to assign or to release faculty or staff from regular University assignments will precede PECS reporting and be closely integrated with relevant management functions at the University and be consistent with the sponsored agreement.

For University employees released from all or part of their regular duties on a reimbursed time basis through the Foundation, the authorization document (Faculty Workload Summary Form (FWSF)—Attachment 2) will clearly reflect the terms and conditions for the action.

Generally, released time is derived as follows:

A course is normally measured as 3 WTU’s; (Weighted teaching Units) therefore an average 15-WTU workload consists of a 12-WTU direct instructional load or four classes per semester, plus 3 Instructionally Related Responsibilities (IRR) WTU’s. However, due to various circumstances, the workload for some faculty members may legitimately differ from the “average.”

A large WTU teaching load is caused by known and recognized factors. Increased workloads may result from independent study courses, thesis courses or other supervision classes. Part of the criteria for determining WTU's is class size/number of students. In cases, where the WTU assignment varies significantly from the "norm," an explanatory notation will be placed in the PER file documentation.

Faculty may be released from a portion of their instructional workload, a portion of their instructionally related responsibilities (IRR), or both.

B. Additional Employment

All additional employment ("overload") whether paid or contributed (to meet sponsor cost-sharing requirements), must be reported on the PER and in the PECS.

The total salaries and effort as supplemented consistent with the CSU Policy Statement on Additional Employment (25% additional time) are to be considered as the full activity of the individual involved and, thus, constitute 100% of the effort to be monitored by the PECS system. For example, assume a faculty member is teaching full-time and is working the maximum possible additional employment during academic periods, i.e., 25% of his or her time:

	<u>% of Normal Time Base</u>	<u>% of Effort to be Certified by PECS</u>
Teaching Assignment-	100%	80%
Additional Employment	<u>25%</u>	<u>20%</u>
Total	125%	100%

Whenever an individual is performing additional employment, a conversion to an adjusted base effort, similar to the above example, should be noted along with a notation as to the basis for the conversion.

Federal regulations prohibit reimbursement of payments to employees in excess of their rate of pay compensated by the State. Overload payments made from non federal funds which may exceed the "State" rate of pay, yet must be reported in a comprehensive PECS, which will be adjusted and noted in the file as a "non-reimbursable expense" for federal direct or indirect cost purposes.

2. Authorization documentation shall be reviewed and approved by the appropriate department and college in a timely manner. This control feature assures that the department and college are fully apprised of the commitment made to the assignment of personnel to sponsored projects and that documentation is provided in accordance with PECS's requirements.

3. Authorization documentation shall be routed to those on campus who need to know.
- Project Director
 - Department Chairperson
 - Employee
 - Faculty Personnel Office
 - Dean’s Office/Finance Manager
 - Foundation Grants and Contracts

Effort Certification

Personnel Effort Report (PER) Forms (Attachment 1) for covered employees will be sent by the Foundation via Project Directors at the end of each semester. The project Director will have 60 days after receipt of the PER to complete the form, sign or have the covered employee sign the PER and return the completed PER to the Office of Grants and Contracts at the Foundation.

The PER form distributed by the foundation will reflect the following information:

Covered Employee’s Name,
Department/College,
Period/Semester, and
Budgeted Percentage of Effort.

“Budgeted Percentage of Effort” for the PER categories, reflect what has been authorized and recorded in official University and Foundation documents. Thus, the Budgeted Category reflects the percentage of time an employee “planned” on providing to an activity. These percentages are drawn from the following:

Institutional/University Supported Activity	
Reimbursed Time	CSUDH Release Time Request Form
Overload	Overload Report
Cost-Sharing	Official Memoranda

Actual employee effort shall be reported in the categories provided on the PER under the column “Actual % of Effort”. Effort for University activity shall be reported on Category 1 “Instructional/University Supported Activity”. Effort provided to sponsored project activity (grants and contracts administered through the Foundation) shall be reported in Category 2 under the appropriate subcategory -“Reimbursed Time,” “Overload,” “Cost-Sharing.” “Actual Effort is certified, after the fact, i.e., at the end of the semester.

The PER must be signed by the employee or the responsible official, generally the Project Director(s), who will have first hand knowledge of the covered employee’s effort. As a further assurance of the accuracy of the reported effort, the signature of the Dean of the college is required.

Review/Adjustment Process

The Foundation Office of Grants and Contracts will be responsible for receiving and verifying the completed PER form. A follow up system will be implemented by Foundation Grants and Contracts to ensure that each covered employee is sent a PER and that forms are returned; all in a timely manner to meet PECS requirements. A master list of covered employees shall be generated and as the reports are returned, the employees name will be checked off and dates of returns indicated. Reports will be considered delinquent 61 calendar days after the reports are distributed to the Project Director.

Each report shall be subject to internal review. Assurance will be made that the after the fact written certification of effort is made by the employee or by the Project Director who is the person most knowledgeable of the work performed in a timely manner, and the Dean. Discrepancies noted which would significantly (significant differences) affect charges to or costs allocated among stipulated activities shall be subject to adjustment.

The test of “significant differences” necessitating an adjustment shall rest as follows: a change applicable to a given project or grant of 5% or more of an employee’s total effort would warrant an adjustment to the effort allocation.

The PER must give evidence of internal consistency. That is, the PER should be consistent with the “assignment authorizations (FWSF) which is produced and which relate to work assignments. The Foundation Grants and Contracts Administrator will be responsible for reconciling each PER to the FWSF. The Foundation will ensure that the PER Form report is signed by appropriate parties. CSUDH Academic Affairs shall provide timely access to records to accommodate reconciliations and documentation; and assistance, as needed, to procure related information from faculty and staff. Any required adjustments shall be entered within 120 days after the close of the reporting period.

Recordation/Retention

PERs shall be considered payroll records and therefore subject to the payroll record retention requirements.