

Policy 60.1: Effort Reporting

<i>Effective Date:</i>	July 1, 2016
<i>Last Updated:</i>	June 30, 2016
<i>Responsible Office:</i>	Office of Grants & Contracts Administration (GCA)
<i>Contact:</i>	Cost Analysis staff

Reason for Policy

As a recipient of federal funding, UNC Charlotte is required to comply with cost accounting requirements contained in [2 CFR 200.430 - Compensation-Personal Services](#) for certifying time spent working on sponsored projects. The purpose of this policy is to ensure that effort certifications completed in connection with UNC Charlotte sponsored projects are accurate, reasonably reflect the actual level of effort expended on a sponsored project, and comply with sponsor requirements.

Policy Statement

The University is committed to ensuring that effort reports completed in connection with sponsored projects are accurate. Effort reports are required when any portion of compensation is paid from a sponsored project or cost share is committed to a sponsored project.

All faculty and staff who are involved in charging salaries and wages to sponsored projects, managing sponsored projects, or completing effort reports are responsible for understanding the principles of accurate and timely effort reporting.

An effort certification should be a reasonable estimate of how time is spent. In no case can the percentage of an individual's salary charged to a sponsored project exceed the percentage of the individual's total effort expended on the project during an effort reporting period. If the percentage of total effort expended in a given effort reporting period is less than the percentage of salary charged to the sponsored project during the same period, the salary charges must be reduced via the salary redistribution process to reflect the actual effort.

Effort reports are generated for all employees (excluding those required to complete timesheets) with compensation paid from a sponsored project during the reporting period. Principal Investigators, faculty, or a person with first-hand knowledge of individual activities certify effort reports for individuals whose salaries are charged to sponsored projects. Effort reports are generated and distributed within a reasonable time frame following the close of the reporting cycle. Certification of effort must be completed within eight (8) weeks of distribution.

Procedures

UNC Charlotte periodically certifies effort after the fact, ensuring that charges made to sponsored funds and effort expended is at least equal to the salary paid. At the end of each reporting period, effort reports are generated in the Maximus Effort Reporting System from data uploaded from BANNER Payroll. These effort reports are verified by the GCA administrator and released to department or college administrators for pre-review.

An effort report is generated only for employees who have received pay from at least one sponsored fund during the reporting period. Any significant differences between the actual effort expended and the salary distribution reported on the effort report must be documented in the notes section of the effort report and reported to Cost Analysis staff in GCA. In addition, the department, or in some cases the college research office staff, is responsible for initiating payroll redistributions to correct the differences in order to ensure accurate reporting of effort.

For employees only paid from non-sponsored funding to report effort expended on a sponsored project (*i.e.*, cost-share), a request to the GCA Cost Analysis staff must be made to generate the necessary effort report(s).

For additional assistance and information regarding the completion and certification of effort reports, see [Effort Reporting](#) found under Cost Analysis on the Grants & Contracts Administration website.

Exclusions/Exceptions

None.

Failure to Comply

Effort reporting is a high-risk audit item because salary charges to sponsored funds are significant. Financial penalties, expenditure disallowances, and harm to the University's reputation could result from failure to provide accurate effort certifications or failure to comply with the University's effort reporting requirements. Failure to comply with this policy may result in suspension of proposal submission privileges for the PI, suspension of work on a sponsored project, and/or disallowance of a salary cost and transfer to a departmental fund.

Related Information

UNC Charlotte [Policy Statement# 101.15](#) - *Additional Compensation for Professional Services to the University*

UNC Charlotte [Policy Statement# 602.6](#) - *Cost Sharing in Sponsored Programs*

[RA Policy 50.7](#)- *Cost Transfers*