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|  | <b>Time and Effort Reporting Policy</b>                                      |   |
|   | <b>Responsible Administrative Unit:</b><br>Office of Research Administration | <b>Policy Contact:</b><br>Director, Office of Research Administration<br><a href="mailto:ora@mines.edu">ora@mines.edu</a> |

## 1.0 BACKGROUND AND PURPOSE

This establishes the school’s policy and procedures for obtaining Effort certifications for employees whose salaries are paid pursuant to sponsored agreements.

Personnel costs typically represent the single largest expense charged to federally sponsored awards. Accordingly, the government requires that institutions receiving federal funds for sponsored agreements maintain an Effort certification process that complies with the federal requirements set forth in 2 CFR 200.

## 2.0 POLICY STATEMENTS

Federal regulations set forth criteria for acceptable methods of charging salaries and wages to federally Sponsored Projects. These regulations also require that institutions develop a mechanism to determine how individuals actually expend Effort and prescribe criteria for acceptable methods of documentation.

Federal regulations require a periodic certification, by employees or persons having direct knowledge of the employee’s activity, to confirm reported Effort. The Effort reporting system used by the School is an “after the fact” activity report that records Effort based on payroll charges to the sponsored project. Faculty and exempt employees are asked to complete a Time and Effort Report (certification) three times per year since work can fluctuate from pay period to pay period. All other employees are required to submit bi-weekly or monthly time sheets.

The certification must accurately reflect the time Principal Investigator (PI) spent not only on performing the research but also on other related tasks such as preparing proposals and conducting other administrative work. Therefore 100% of Effort cannot be certified on sponsored awards.

PI Effort is not required on Sponsored Projects for equipment and instrumentation, doctoral dissertations and student augmentation and limited purpose grants such as travel grants.

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Prior agency approval is required to reduce PI or key personnel Effort by 25%, or if the PI or key personnel are absent for more than three months.

### 3.0 RESPONSIBILITIES

Principal Investigators, faculty and staff are responsible for timely certification of their Time and Effort reports three times a year. In the event the PI, faculty or staff is unable to certify the Effort report, a surrogate having Firsthand Knowledge or a Suitable Means of Verification of the work performed may certify the report (e.g., the Department Head, Division Director, or a Co- PI).

When certifying time and Effort for a set period of time, ensure that the actual dates worked are within the time period of certification and do not fall outside of the time period that is being certified.

### 4.0 COMPLIANCE/ENFORCEMENT

Salary costs that are uncertified will be reallocated off the sponsored project funds and onto a PI's, departmental or center non-restricted funds.

### 5.0 DEFINITIONS

**Effort.** Work or the proportion of time spent on all compensated school activities, including restricted and matching fund sources and expressed as a percentage of total time. Total Effort for an employee must equal 100%, serving as the basis for an individual's Effort.

**Firsthand Knowledge.** Direct evidence of work performed. One may have this knowledge of work performance by either performing the work or through supervising the individual performing the work.

**Redistribution.** An adjusting or correcting internal accounting transaction to transfer salary and fringe benefit charges from past pay periods from one index (fund/org/acct/program code) to another.

**Principal Investigator.** Principal Investigator (PI) is the head of a research project. Generally, CSM policy requires that a research proposal may be submitted only by permanent, full-time faculty at CSM who will personally participate in the project in a significant manner and also serve as the Principal Investigator. Part-time, retired, visiting, etc., faculty may participate on research projects as Co-Principal Investigators. If an exception is needed for someone who is not permanent, full-time faculty, the approval must come from the appropriate department head and the V.P. for Research. By exception, the School may approve the submission of a contract and grant proposal by other part-time, retired, visiting faculty participating on research

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projects as Co- Principal Investigators. If an exception is needed for someone who is not permanent, full-time faculty, the approval must come from the appropriate department head and the V.P. for Research.

**Sponsored Projects.** An externally-funded activity that is governed by specific terms and conditions. Sponsored projects must be separately budgeted and accounted for, subject to terms of the sponsoring organization. Sponsored projects may include grants, contracts, and cooperative agreements for research, training, and other public service activities.

**Suitable Means of Verification.** The process through which one receives assurance that work was performed so as to provide a certification of Effort on an Effort report. This process must take into consideration other school records and provide for the documented review of such records in support of work performed. Examples of these records may include the following: calendars, teaching schedules, logbooks, or sponsor budgets. Other means of verification may also suffice, including e-mails attesting to Effort devoted based upon Firsthand Knowledge. Oral verification from the PI, faculty or staff to an administrator will not suffice as a Suitable Means of Verification.

### 6.0 RESOURCES

#### Federal Regulations

- [2 CFR Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#)

#### **KEY WORDS**

Time and effort certification, recertification, effort certification, salary certification

### 7.0 HISTORY AND REVIEW CYCLE

The policy will be reviewed at every 2 years, or as needed by the Responsible Administrative Unit.

Issued: December 2013

Updated/Amended: December 23, 2019

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## EXHIBIT 1 - TIME AND EFFORT PROCEDURES

The school uses a three times per year certification period to accomplish its Effort certification requirement. All Academic Departments conducting research will receive Time & Effort Reports for distribution to employees assigned to their departments based on the schedule below:

Research performed Jan, Feb, Mar, Apr – reports distributed by June 1  
Research performed May, Jun, July, Aug – reports distributed by Oct 1  
Research performed Sept, Oct, Nov, Dec – reports distributed by Feb 1

Federal regulations acknowledge the process of costs and Effort cannot always be exact. These regulations provide the following acknowledgement: "In the use of any methods for apportioning salaries, it is recognized that in an academic setting, teaching, research, service, and administration are often inextricably intermingled. A precise assessment of factors that contribute to costs is not always feasible, nor is it expected. Reliance, therefore, is placed on estimates in which a degree of tolerance is appropriate." Colorado School of Mines seeks to certify Effort within +/-5%.

Upon review of the labor distribution, Redistribution may be necessary to transfer labor charges from one index (fund/org/acct/program code) to another. Because a precise appraisal of factors contributing to costs/Efforts is not always feasible or expected, if errors above + or - 5% are recognized, a payroll Redistribution should be initiated.

Recertification:

Once payroll has been certified to a particular index, ORA will approve a payroll Redistribution that moves that payroll to another index only as an exception. Such transfers require documentation that adequately justify a change in the previous certification and must comply with the ORA Cost Transfer Policy. If a payroll transfer moves salary that is greater than 180 days old the PI must provide a written statement to ORA that explains how this benefits the project receiving the expense, why this project did not receive the charges when they first occurred and why it took so long to initiate a transfer. Once an Effort report has been certified any changes to that Effort report resulting from a payroll Redistribution request will require the entire Effort report to be recertified.