

**UNLV Division of Research and Graduate Studies  
Office of Sponsored Programs**

## **Effort Reporting Policy**

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### **BACKGROUND**

As a recipient of federal funding, UNLV is required to comply with Federal Regulations including 2 CFR Chapter I, and Chapter II, Part 200, et al. 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. Uniform Guidance Subpart E §200.430 contains the specific federal regulatory requirements for internal controls over certifying time expended on sponsored projects. UNLV requires all individuals who receive federal sponsored funding to comply with university policies and federal regulations regarding proposing, charging, and reporting effort on those awards.

UNLV must assure federal and other sponsors that the assignment of time and associated salary and fringe benefit costs to the projects they sponsor is fair, consistent, and timely. UNLV accomplishes this requirement through the effort reporting process. University faculty and staff are required to charge their time to sponsored awards commensurate with their committed effort and effort reports that document the commensurate time are generated, reviewed, and certified on a regular basis to assure compliance. Financial penalties, expenditure disallowances, and even harm to UNLV's reputation could result from an inadequate effort reporting system or from failure to comply with effort reporting requirements.

### **Policy**

In accordance with federal regulations, UNLV utilizes an after-the-fact effort reporting system to certify that salaries charged or cost shared to sponsored awards are reasonable and consistent with the work performed. Actual effort expended on each project is certified by a responsible person with suitable means of verification that the work was performed.

Uniform Guidance Section §200.430(C) 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 (Institutes of Higher Education) a precise assessment of factors that contribute to costs is therefore not always feasible, nor is it expected." Therefore, while UNLV strives to obtain an accurate reflection of the time devoted to sponsored programs, effort certification is considered a reasonable estimate of how time was expended as opposed to an exact accounting of time.

### **PROCEDURES**

The Uniform Guidance addresses 'Standards for Documentation of Personal Expenses' by requiring UNLV to have a system of internal control which provides reasonable assurance that charges are accurate, allowable, and properly allocated. The development of Effort Reporting Policies and Procedures is an acknowledgement of the significant complexities and ambiguities of effort reporting.

## **EFFORT REPORTING PROCESS**

Effort reports must account for 100% of an employee's total university effort. Total university effort includes research, teaching, administration, clinical activity, and any other activity for which an individual receives compensation, which may include supplementary salaries for recurring, long-term activities. Activity that is not included in total university effort, such as outside consulting and extra-compensation, is not included in the university's effort reporting process. Activity within total university effort must be reasonable, allowable, and allocable in order to be properly charged and verified to a sponsored project.

Effort on sponsored projects is expressed as a percentage distribution of total university effort. Each percentage must reasonably agree with actual effort devoted to each activity in relation to the employee's total university effort. The verified effort report documents the allocability of payroll charges for each activity listed on the effort report for the period being verified. Payroll charges to sponsored awards, and cost sharing recorded for faculty and staff, serve as the initial data points for the UNLV's effort reporting system, which generates reports on a quarterly basis (Jan-Mar, Apr-Jun, July-Sept, and Oct-Dec).

### **Definition of "100% Effort"**

For purposes of proposing and certifying effort, UNLV faculty and staff should consider "100% effort" to be the total time spent conducting professional activities for which the individual is compensated by UNLV (i.e., total university effort), irrespective of standard work schedules. This includes work performed outside the '9 to 5' work schedule, work performed on vacation, and off-hours regardless of whether the effort is performed on or off campus. This definition is consistent with federal regulations. Although the scope of activities considered as total university effort may differ among individuals, the following activities provide general guidance as to what would be considered part of university effort:

Included in 100% effort:

- Teaching
- Research (externally- and internally-sponsored)
- Service
- Administration

Excluded from 100% effort:

- External consulting
- Special activities resulting in one-time payments
- Temporary activities over and above normal responsibilities

### **Institutional Base Salary**

Consistent with the definition of "100% Effort", Institutional Base Salary (IBS) includes only the component of pay which is intended to compensate the individual for his/her base duties at UNLV. This includes the annual salary paid by UNLV for a faculty or staff member's base appointment, and includes additional amounts for recurring, long-term activities (e.g., department chair). This will not include one-time payments for activities intended to be short-term in nature (less than six months) or extra compensation.

Some sponsors, most notably NIH, impose limitations on the amount of IBS that may be used as a basis for charging salary to their projects. Where such limitations apply, the requested salary support is determined by multiplying the proposed level of effort by the maximum IBS allowed (e.g., the NIH salary cap).

### **Frequency of Reports**

UNLV has four effort reporting periods: January 1st through March 31st, April 1st through June 30th, July 1st through September 30th, and October 1st through December 31st. For employees paid bi-weekly, the periods covered may begin/end shortly before/after the quarterly report dates, depending on the annual pay period schedule. A few days after each effort reporting period, data on salary charges from the payroll system are reformatted into the percentage of effort reports.

### **Signing the Effort Report**

Each effort report must be confirmed and signed by the employee, the PI, the department chair, or another responsible official using suitable means of verification that the work was performed. "Suitable means of verification" means that the reviewer has used appropriate due diligence to confirm that the distribution of activity represents a reasonable estimate of the work performed by the employee during the period.

Authorized personnel are expected to confirm the payroll distribution percentages on the effort report, and determine whether those percentages reasonably correspond to the percentages of the individual's Total University Effort on each sponsored project, recognizing that within the academic setting, teaching, research, service, and administration are often inextricably intermingled and reasonable estimates are permitted.

### **Contacts**

Signed effort reports should be sent to the Office of Sponsored Programs, MS 1055. Questions regarding effort reporting should be directed to OSP at (702) 895-1357.