PERSONNEL ACTIVITY SURVEYS (EFFORT REPORTS)
Standards and Procedures
(Effective for effort periods after July 1, 2012)

<u>Introduction</u>

As a recipient of federally sponsored projects, the University of Maryland, College Park (UMCP) is subject to governmental regulations covering the treatment and certification of certain costs. Specifically, Office of Management and Budget (OMB) Circular A-21, Section J.10 requires the University to maintain records that will substantiate that the effort spent on a sponsored agreement reasonably reflects the salary and wages charged to that agreement. This requirement applies to effort spent on sponsored programs that was either 1) directly charged to an award (sponsor supported), or 2) was committed in a proposal as cost share from another funding source. There is not, however, a single best method prescribed for documenting and certifying the distribution of charges for personal services. Additional information, including relevant definitions regarding Effort Reports, can be found in the UNIVERSITY OF MARYLAND, COLLEGE PARK PROCEDURES ON CONTRACT AND GRANT EFFORT CERTIFICATION.

<u>Personnel Activity Surveys</u>
<u>(Effort Reports)</u>

The University has chosen to certify effort using the After-the-Fact confirmation method provided for in OMB Circular A-21, Section J.10c(2). Specifically, this certification is accomplished via the Personnel Activity Surveys (Effort Reports). Under this system, the distribution of salaries and wages will be supported as follows:

a)   Effort Reports will reflect the distribution of activity expended by employees covered by the effort system.

b)   These reports will reflect an after-the-fact reporting of the percentage distribution of activity of employees. Charges may be made initially on the basis of estimates made before the services are performed, provided that such charges are promptly adjusted if significant differences are indicated by activity records.

c)   Reports will reasonably reflect the activities for which employees are compensated by the University. To confirm that the distribution of activity represents a reasonable estimate of the work performed by the employee during the effort reporting period, the reports will be approved by the Responsible Person(s), employee, or department chair, using Firsthand Knowledge or Suitable Means of Verification that the work was performed. (See "UMCP Policy on Effort Certification" for definitions.)

d)   Effort Reports will be prepared semi-annually.

University of Maryland, College Park
Effort Reporting Procedures

1. Effort Reports –
Effort Reports substantiate the effort expended by an employee in fulfilling the employee's obligation to the University. Effort always equals 100%, and encompasses all of the time utilized to meet these obligations, even if the appointment is less than full time. Effort is divided into two categories: (1) Sponsored Projects (Federal or Other); and (2) Non-Sponsored Activities. Federally Sponsored Projects covers effort spent conducting or directly supporting Federal or Federal Flow-through projects for research, training or other service. Other Sponsored Projects are projects funded by non-federal sponsors, such as state agencies or private organizations. Non-Sponsored Activities are funded by the University and include activities like instruction, departmental research, and administration.

Many faculty, academic and staff members are engaged in teaching, service, administrative, and other duties in addition to their work on sponsored projects. Accordingly, unless the circumstances clearly warrant otherwise, 100% of effort (and salary) should normally not be assigned to sponsored projects in a given period.

2. Method for Certification –
For all salaried personnel, effort is certified via the Web-based Personnel Activity Survey (Effort Report) system. For all hourly workers, the timesheet serves as the mechanism for certifying effort.

3. Frequency of Reporting –
Effort reporting must be completed and certified on a regular basis to comply with the requirements of OMB Circular A-21. At UMCP, Effort Reports will be distributed twice a year:

> Reporting cycle 01 (PP # 1-14)
> Reporting cycle 02 (PP # 15-27)

4. Timely Certification (Approval) –
UMCP practice requires effort to be certified within 90 days of the end of the reporting period. Effort Reports are available for departmental review for approximately 45 days (three pay periods) following the close of the reporting period. It is expected that any necessary corrections and transfers will be initiated during this period. Once the initial review and revision period is closed, the remaining time (approximately 45 days) is then provided to review and certify reports.

A reminder email will be sent by the Cost Accounting department to all Effort Report Coordinators (with a copy to the alternate approver) of units with unapproved Effort Reports one week prior to the due date, for each reporting cycle. The email will remind them of the pending due date for approving Effort Reports (for a given reporting cycle), and that there are still employees in their unit with unapproved Effort Reports. The Effort Coordinators will be instructed to send an email to all employees in their unit with unapproved Effort Reports, reminding them of the upcoming due date for approving their Effort Report and that unfavorable audit findings or notoriety may result if their Effort Report is approved late or remains unapproved after the due date.

5. <u>Monitoring Uncertified Effort Reports</u> –
   The University is committed to ensuring that Effort Reports certified in connection with federally sponsored projects are accurate, timely, reasonably reflect the level of effort expended, and comply with all agency requirements. It is important that departments follow up with their PIs and other certifiers to ensure that any past due Effort Reports are certified as quickly as possible. It is each department's responsibility to ensure that a business process has been appropriately established to certify Effort Reports in a timely manner. Effort Reports that are outstanding at the certification deadline may result in salary and related costs being disallowed by UMCP and the sponsoring agency. Cost Accounting will provide notifications to Department Chairs and Effort Coordinators of Effort Reports that are outstanding after the due date.

Timeframe	Recipient
One week past due	Email notification to all Effort Report Coordinators (with a copy to Department Chair) of units with unapproved Effort Reports. The email will remind them that the due date has past, and that there are still employees in their unit with unapproved Effort Reports.
Two weeks past due	Memorandum to college deans, which includes a list of individuals with unapproved Effort Reports for their respective colleges.

6. <u>Revised Effort Reports</u> –
   A payroll transfer (PT) approved more than 45 days after the end of an Effort Reporting cycle that effects sponsored program accounts or Cost Sharing accounts from a prior reporting cycle will cause a revised Effort Report to be created. The revised Effort Report will be available for approval immediately following the pay period during which the applicable PT is posted to FRS. A revised Effort Report may be approved by the employee or an alternate approver using suitable means of verification that the work was performed.

7. <u>Confirmation (i.e., Certification) of Effort Reports</u> –
   Confirmation of effort is an OMB Circular A-21 requirement that UMCP agrees to when a contract or grant is accepted that is fully or partly funded by the federal government. Effort Reports are used to document the certification of effort. The OMB requirement is designed to ensure that:

   a) salary charges to the sponsor are reasonable in relation to the work performed, and

   b) the effort provided to each sponsor is at least as great as the effort promised to the sponsor.

   To comply with OMB A-21, UMCP has designated certain individuals who can certify Effort Reports. These individuals are:

   a) Employee, with firsthand knowledge of 1) the work performed and 2) the benefitting sponsored project,

   b) Principal investigator, with firsthand knowledge of the work performed,

c) Co-principal investigator or other individuals (i.e. lab manager or employee supervisor) with firsthand knowledge of the work performed,

d) Other designated certifier using suitable means of verification that the work was performed. Examples of acceptable documents that would constitute a "suitable means of verification" include (i) time records that include effort distribution that have been signed by the employee, supervisor, or principal investigator (ii) written documents including email messages from the principal investigator confirming the distribution of effort, and (c) department created reports that include effort distribution and are signed by the employee, supervisor, or the principal investigator.

UMCP prefers to have Effort Reports certified by a person with firsthand knowledge (Items a-c above).

8. Preciseness of Certifications –
OMB Circular A-21 provides for "a degree of tolerance" in the preciseness of effort reporting. UMCP has defined the preciseness tolerance at +/- 4%. Therefore, an individual may certify a level of effort for an award or activity that is within four percentage points of their best estimate of the actual effort expended during the reporting period.

9. Reporting Committed Cost Sharing –
The salary of faculty and staff that are paid for committed effort on any sponsored agreement, but not paid directly from the sponsored agreement, must be paid by the sponsored agreement's MATCH or Cost Sharing account. Voluntary uncommitted cost sharing (faculty-donated additional time above that agreed to as part of the sponsored agreement) is included as part of the "Residual Activity" category on the Effort Report.

10. Activities That Can and Cannot be Allocated to Federally Sponsored Projects

Activities that CAN be allocated to a sponsored project include:
- Directing or participating in any aspect of the research related to the specific project
- Providing research patient care
- Writing a progress report for the project, sometimes called a continuation proposal
- Holding a meeting with lab staff to discuss the specific research project
- Activities *contributing and intimately related to work under the agreement*, including:
  - Participating in appropriate seminars
  - Consulting with colleagues about specific aspects of the project
  - Delivering special lectures about specific aspects of the ongoing activity
  - Attending a scientific conference held by an outside professional society to present research results
  - Reading scientific journals to keep up to date with the latest developments in one's field
  - Mentoring graduate students on the specific research project

Activities that CANNOT be allocated to sponsored projects include:

- Proposal-writing, except for non-competing continuations (progress reports); this includes:
  - o Developing necessary data to support the proposal
  - o Writing, editing, and submitting the proposal
- Administration, including service as a department chair or dean
- Instruction, office hours, counseling for students, and mentoring graduate students on something other than a specific research project
- Clinical activity, except patient care for an IRB-approved sponsored research activity
- Service on an IRB, IACUC, selection committee, or other similar group
- Course or curriculum development not specific to the faculty member's research project
- Writing textbook chapters
- Fundraising
- Lobbying

There is no federal guideline or directive regarding a "typical" percent of effort for writing a grant proposal. This percent will depend upon the size and scope of the project, as well as the requirements of the sponsor, and can vary greatly. The effort percentage assigned for proposal writing should be based on each individual situation.

How-to Guide for Using the Web-based Personnel Activity Survey

The Personnel Activity Survey (Effort Report) has four sections:

Section 1. – Identification – The top portion of the form identifies the Survey period's fiscal year and cycle (for example: 201201 identifies the first reporting cycle of fiscal year 2012), the dates of the reporting period, the PHR unit number of the employee's UNIT of primary appointment; the name of the employee; the title of the employee; and the UID of the employee.

Section 2. – Salary Payment – The left side of the form is used for reporting accounts from which an employee is paid. There are three columns: FRS account number, salary amount, and percentage of this salary to the total salary. On the upper half, amounts paid from sponsored program accounts are reported. The lower half is used to report salary paid from state and other (non-sponsored) accounts. The amounts paid are summed at the bottom as are the percentages (Everyone's percentage total will always be 100%).

Section 3. – Activity Designation – The right side of the form is used for reporting effort (Activity %) against each sponsored program account and or MATCH/Cost Sharing account shown in section A. "Sponsored Programs from which you were paid". The employee or alternate approver should click approve after verifying that the percentage shown (under "Activity %") for each sponsored program account and or MATCH/Cost Sharing account reflects a reasonable estimate of activity (effort). Section B. "Residual Activity" reflects the difference between the percent of effort on all sponsored program and or cost sharing accounts (Section A) and the total effort (always 100%). A change to the percentage shown (under "Activity %") for any sponsored program account and or MATCH/Cost Sharing account of +/- 5% (material change) or more will generate an ERROR message. The ERROR message will direct you to see your PHR administrator and discuss the need to have your pay allocation changed (a PT processed) for the survey period in question. You will be unable to approve an Effort Report with a material change (+/- 5%) for any sponsored program account or MATCH /Cost Sharing account listed under "Activity %". A revised Effort Report will be generated and replace the original Effort Report (for the reporting period) at the end of the pay period during which the PT is processed. You will then be able to log-in and approve the revised Effort Report.

Section 4. – Approval – This section of the form requires certification that the report reasonably reflects the activities for which the employee was compensated by the institution. All persons are encouraged to approve their own Effort Reports. Deans, directors (non-administrative), department chairs and senior faculty may alternatively approve for all personnel. Alternate approvers, who do not have firsthand knowledge of the activities performed by the employee, must use and document a suitable means of verification that the work was performed.