

## Time and Effort Reporting Policy

As a condition of receiving federal funding, MSU Mankato is required to certify the time and effort that employees spend on federally funded projects. Our sponsors require verification that the personnel commitment indicated in a funded proposal is being fully met in accordance with the conditions of the award. To this end, the [Office of Management and Budget 2 CFR Chapter I, Chapter II, Part 200.430, et. al.](#) – Cost Principles for Educational Institutions requires personnel activity reports which “*charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed.*” The University’s time and effort reporting procedures provide this verification of employee effort on projects funded by the federal government. The purpose of time and effort reporting is to maintain federal regulations and adhere to MnSCU auditing requirements. Failure to comply with time and effort reporting requirements could result in financial penalty or other sanction from our sponsors, as well as harm the University’s reputation thereby putting future awards at risk.

## Procedures for Time and Effort Reporting

MSU, Mankato has elected to participate in the planned confirmation method of effort reporting. Under this method, the distribution of salaries and wages of professorial and professional staff applicable to sponsored agreements shall be based on budgeted, planned, or assigned work activity and updated to reflect any significant changes in work distribution.

### Role of Principle Investigator (PI) and/or the Effort Certifier

All PIs in receipt of external funding agree to the following:

- The PI is responsible and accountable for compliance with all federal regulations associated with sponsored projects awarded under his or her supervision. Effort certification is a compliance requirement of accepting federal awards.
- The PI is responsible for reporting all required reassignment, released time, or overload assignment that is listed as in-kind cost share on the campus approval for externally funded projects (CAEFP).
- The PI is responsible for reporting on all activities, both federally assisted and otherwise funded by the university per OMB Part 200.430(i)1.(iii)(iv)
- The individual signing an effort report confirms that the percentage distribution of an activity on the report is a reasonable estimate of the work performed by the listed employee for the documented period. Wages of nonexempt employees must also be supported by records indicating the total number of hours worked each day.
- Federal regulations require that the person who certifies effort have first-hand knowledge of the employee’s activities. This requirement is met by requiring that the employee sign his or her own

effort report, except in pre-approved and clearly documented circumstances that warrant a departure from standard procedure, e.g. the individual is on a leave of absence.

- The PI is responsible for obtaining the signature of the supervisor/chair on the time and effort certification form.

### **Research and Sponsored Programs (RASP) role**

Compliance with the regulations regarding effort reporting provides the necessary documentation to certify and substantiate direct labor charges to all sponsored activities. RASP provides support to faculty in maintaining compliance with this policy.

- RASP has set a deadline of 45 days (from distribution) for the return of effort reports. Any delay in returning these reports could result in MSU Mankato being found at fault for non-compliance of federal regulations.

### **Effort Reporting Procedure**

All faculty and staff at MSU Mankato whose salary charges in whole or in part, and also meet the criteria below must complete and submit planned effort certification reports, without exception. This includes individuals paid directly from any sponsored project.

Effort certification will be distributed on an annual basis. The report period will be categorized by fiscal year.

1. Effort reports are distributed by RASP. The report will detail the university accounting for which each employee has been paid on a sponsored project.
2. The effort report must be certified by an individual who has first-hand knowledge of the employee's total effort. If at all possible, the named employee will complete and certify the effort report. If the individual is not available, the departmental chairperson, the principal investigator, the dean, or another responsible official having direct knowledge of the employee's effort will certify the report.
3. The signed and completed effort report must be returned to RASP within 45 days of distribution.

## **FREQUENTY ASKED QUESTIONS (FAQ)**

### **Concerning Time and Effort Reporting**

**1. Who initiates the annual reporting?**

RASP will send annual email notices to principal investigators with federal projects.

**2. Who reviews and signs the report?**

The principal investigator should sign the reports and get supervisor/department chair signature.

**3. Once signed, who retains the report?**

RASP retains the reports.

**4. Who examines the signed reports?**

When requested, A-133 Auditors examine the signed reports. Departments of the University may also use the reports to verify time and effort devoted to sponsored projects by employees.

**5. What kind of review should be conducted before report is signed?**

Cost center names, cost center numbers, percentage of effort, and employee names should be checked for accuracy.

**6. What if the information on the report is inaccurate?**

If the principal investigator finds the information to be inaccurate, s/he should:

- describe, in writing on the form, the issues that need to be resolved
- enter the corrections in the report and sign the form to indicate that the review has occurred and obtain supervisor/department chair signature
- return the signed original to RASP

**7. Are wages paid to students covered by Time Effort reports?**

The Federal Government does not require that wages paid to students be certified. The University requires that students complete a timesheet in order to get paid for their work; therefore, the documentation already exists for students. However, from time to time, names of enrolled students may appear on the report forms. If this occurs, the principal investigator should:

- indicate on the report that the employee is a student
- sign the form
- return the signed form to RASP

**8. How much time do departments have to conduct reviews of the Time and Effort reports?**

RASP asks departments to return signed Time and Effort reports no later than forty-five (45) days from distribution by RASP. If signed Time and Effort Reports are not filed in a timely manner, RASP will forward the information to the Associate Vice President of Research and Dean of Graduate Studies for follow up.

**9. Who can I direct questions to regarding effort certification?**

Please contact the RASP office at 389-5275.