

# COLUMBIA UNIVERSITY POLICY ON EFFORT REPORTING

**Effective Date: December 1, 2006**

## **Executive Summary**

Federal regulations require that the effort devoted to sponsored projects is appropriately documented, including an annual certification that the salaries charged are reasonable in relation to the effort devoted to those projects. Accordingly, it is University policy that:

While salary charges to sponsored projects are made initially based upon the planned or estimated workload of faculty and others, the actual effort of each individual working on sponsored projects must be monitored, with charges modified as necessary based on variances between the estimated and actual effort.

The required annual effort certification report (the “Effort Certification Report”) must be signed by either the individual him/herself, or by a responsible official who has exercised suitable means of verification of the activities of the individual(s) for whom he or she is certifying. Comprehensive guidance on the annual certification process, including a description of best practices and institutional requirements for the certifier, is provided in the letter which transmits the annual certification.

The University is in the process of implementing an electronic effort reporting system which will be in place for the fiscal year ended June 30, 2007. When implemented, each Officer of the University who is subject to the effort reporting requirements of this Policy will be required to certify his or her own effort, as well as to review the effort of other individuals working on projects for which that individual is the Principal Investigator.

## **Reason(s) for the Policy**

Section J.10 of Federal [OMB Circular A-21](#) provides the framework for acceptable methods of documenting the effort of employees devoted to sponsored projects. The University follows the “Plan-Confirmation” methodology described in section 10.c(1) of that Circular.

## **Primary Guidance to Which This Policy Responds**

Federal OMB Circular A-21

## **Responsible University Office & Officer**

Office of the Controller  
Cheryl Ross, Controller

## **Revision History**

Not applicable

## **Who Is Governed by This Policy**

Faculty and staff who devote effort to one or more sponsored projects (whether funded by government agencies or other sponsors) , administrative staff responsible for monitoring such charges, and others who may be responsible for certifying the effort of others.

**Who Should Know This Policy**

- All persons governed by this Policy [see above]
- Departmental Administrators and other departmental staff
- Deans and Departmental Chairs
- Office of Research Administration staff
- Office of the Controller staff
- Employees who initiate, review and/or approve payroll transactions on behalf of the University

**Exclusions & Special Situations**

None

**Policy Text**

Government agencies, private foundations and industry and other sponsors provide significant funding to enable Columbia University to conduct research, public service, and training projects. A primary use of such funds is to support the salaries of faculty and staff engaged in those activities. The University's effort reporting system provides the principal means for certifying that the salaries and wages charged to or contributed to those projects are reasonable and consistent with the portion of total professional activity devoted to the projects.

While salary charges to sponsored projects are made initially based upon the planned or estimated workload of faculty and others, the actual effort of each individual working on sponsored projects must be monitored, with charges modified as necessary based on variances between the estimated and actual effort

Effort is the proportion of time spent on any activity, expressed as a percentage of the total professional activity for which an individual is employed by Columbia University. (Some sponsors, such as NSF and NIH, require that effort be expressed in person-months in grant proposals, but the concept is the same – i.e., three person-months for a faculty member with a 12-month appointment represents 25% effort.) Effort reporting is a means of verifying that the salary charged to the project is reasonable in relation to the effort expended on the project. The process of completing the Effort Certification Report also affords an opportunity to consider whether the effort expended in support of a project is consistent with the effort required by the sponsor or voluntarily committed by the Principal Investigator.

The annual Effort Certification Report summarizes the proportion of work time devoted to sponsored projects, teaching, clinical practice, and other activities, expressed as a percentage of total university effort funded by base salary (see later discussion of "base salary"). "Total university effort" is measured in terms of actual effort funded by base salary. It is not measured on the basis of a standard number of hours in a week, month, or year. For example, if an investigator works 80 hours in a week in fulfilling his or her base salary obligations, then 40 hours represents 50% effort. The total university effort constitutes 100% effort, so the total effort expended cannot be more than - or less than - 100%.

It is important to understand the distinction between payroll distributions and effort distributions. Payroll distributions reflect the allocation of an individual's salary, while effort distributions reflect the allocation of an individual's effort to individual projects "independent of salary."

Columbia's effort reporting process relies on payroll distributions to provide information regarding the projects to which an individual's salary was provisionally charged during the effort certification period. As previously indicated, University policy requires that such provisional charges must be monitored on a regular basis, with adjustments processed on a timely basis to reflect significant variations in effort. It is important, therefore, that changes in effort are routinely communicated and recorded on the University's financial records during the course of the fiscal year, and are generally not first reflected at the time the Effort Certification Report is prepared.

Nevertheless, the provisional salary allocation information as reflected on the Effort Certification Report may not in all cases be consistent with the percentage of effort expended on various activities. For example, a recent change in effort may not as yet have been communicated and/or reflected in the accounting system at the time that report is generated. It is the responsibility of individuals completing the annual Effort Certification Report to report *actual* effort percentages, whether or not those percentages agree with the salary allocation percentages pre-printed on the Report, and to insure that any necessary corrections are recorded in the University's accounting system. When such corrections result in the need to reduce the charge to a sponsored project, they are mandatory, and therefore always permissible. Corrections which have the effect of increasing the charge to a sponsored project are subject to review by the Office of the Controller

Under certain circumstances, the percentage of total effort devoted to a sponsored project may exceed the percentage of salary provisionally charged to the project. This may occur, for example, where there is a commitment of cost sharing, whether mandated by the sponsor or voluntarily committed by the Principal Investigator; please refer to the University Policy on Cost Sharing for guidance. It may also occur where there are limitations on the rate of salary that may be charged to a project, as in the case of the NIH salary cap.

Those who complete effort reports should be aware of these conditions, and ensure that the certification reflects actual effort expended, whether or not the percentage of effort corresponds with the provisional allocation of salary.

The completed Effort Certification Report should reflect all activities, including any administrative or other responsibilities of the individual, conducted under the terms of an individual's employment by Columbia and for which he/she receives compensation in the form of base salary (including the guaranteed portion of private practice compensation).

Among those other responsibilities is the time devoted to the preparation of competitive grant and contract proposals, which may not be charged to sponsored projects.

Accordingly, it is important that to the extent an individual has devoted time to non-sponsored activities, including teaching, committee work, the preparation of competitive grant and contract proposals and other such activities, the effort certification reflects an appropriate distribution of salary to those non-sponsored activities.

It is important to recognize that in allocating salaries to sponsored programs and other activities, precision is not expected. Federal regulations provide that “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”.

### **Important Requirements for the Certifier**

The annual Effort Certification Report must be signed by either the individual him/herself, or by a responsible official who has exercised suitable means of verification of the activities of the individual(s) for whom he or she is certifying. Comprehensive guidance on the effort certification process, including a description of best practices and institutional requirements for the certifier, is provided in the letter which transmits the annual effort certification.

### **Responsibilities**

#### *Controller's Office*

- Distributes annual Effort Certification Reports
- Monitors Columbia's compliance with effort reporting requirements
- Develops and monitors all policies, procedures and training materials for effort reporting
- Conducts reporting training sessions
- Supports audit and other inquiries regarding the University's effort reporting process.

#### *Principal Investigators*

- Monitor their own effort and that of others working on their sponsored projects
- Notify Departmental and/or other administrators of significant changes in effort throughout the year.
- Review appropriate documentation to insure that charges to Sponsored Projects are consistent with the effort devoted to those projects.
- Beginning with the FY '07 certification, must certify their own effort.

#### *Department Chairs and/or Administrators*

- Coordinate the monitoring of all effort forms for individuals within their department.
- Assist in ensuring that effort certifications are completed in a timely manner.
- Ensure that the University's accounting records are consistent with certified effort by completing cost transfers and documenting cost sharing.
- Certify effort, where appropriate, using suitable means of verification.

**Contacts**

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**Cross References to Related Policies**

Columbia University Policy on Cost Sharing  
Columbia University Policy on Cost Transfers  
Columbia University Policy on Faculty Effort Commitments (pending)

**Web Address**

[http://www.columbia.edu/cu/administration/policylibrary/policies/cont/cont\\_005.html](http://www.columbia.edu/cu/administration/policylibrary/policies/cont/cont_005.html)

**Appendix**

None