



POLICY & PROCEDURE DOCUMENT

NUMBER: 3.2682
2.2682

DIVISION: Finance and Administration
Research

TITLE: Grants and Contracts Accounting – Time and Effort Reporting/Effort Certification

DATE: June 30, 2014

REVISED: June 13, 2016, June 22, 2021

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I. Purpose and Scope

Per regulation promulgated by the Office of Management and Budget (OMB) 2 CFR 200.430, charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must a.) be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated; b.) be incorporated into the official records of the non-Federal entity (Western Kentucky University); c.) reasonably reflect 100% of the total compensated activity (per WKUs definition of Institutional Base Salary); d.) comply with the established accounting policies and practices of the non-Federal entity (i.e. activities outside of effort per the WKU Workload policy are not part of the 100%); e.) after-the-fact review is made of charges based on budgeted estimates and all necessary adjustments are made such that the final amount charged to the Federal award is accurate, allowable, and properly allocated.

II. Policy

A. Time and Effort Reporting (Labor Distribution)

1. Time and Effort will be viewed in terms of the percentage of effort budgeted in relation to the employee's regular salary at the time. The time charged will be the actual salary up to but not to exceed the amount budgeted.
2. If actual effort was less than budgeted, a 5% variance is allowed if approved by the supervisor. If actual effort is less than budgeted by more than 5%, the PI should

consider working with OSP to determine if those unused budget dollars need to be transferred and/or discuss whether the scope of the work has changed.

3. Wage distribution set up on an Employee Personnel Action Form (EPAF) automatically is charged to the index reflected on that EPAF. Therefore, EPAFs are encouraged for twelve-month employees who are assigned to work on a grant.
4. For less than twelve-month employees, an EPAF may not calculate the percentage of wages assigned to a grant index accurately because, in most cases, the work on the grant is for less than twelve months and/or the grant itself is for less than 12 months. Therefore, grant wages for less than twelve-month employees are moved to the grant from the departmental index via a Grant Accounting Labor Redistribution (GALR).

B. Effort Certification

1. All faculty and professional staff at WKU whose salary, in whole or in part, meet one or both of the following criteria **must** complete and submit Effort Certifications.
 - a. Individuals paid directly from any federal or federal flow-thru sponsored project (via EPAF or Form 16). ALL summer effort (not just federal) must be certified.
 - b. Individuals paid directly from a WKU departmental index but whose effort on a federally funded project is redistributed to reflect the amount of time actually worked on the project (via GALR).
2. Effort certifications are distributed on a bi-annual basis during the academic year; and, again for each summer session. The report period is as follows:

Less than twelve-month Faculty

Fall Semester (certify by January 31st)
Spring Semester (certify by June 15th)
Summer II 5/16-6/30 (certify by July 31st)
Summer I 7/1-8/15 (certify by September 15th)

Twelve-month Faculty and Prof Staff

Summer II/Fall (certify by January 31st)
Spring/Summer I (certify by July 31st)

*If receiving Summer II (5/16-6/30) wages, Spring must be certified before June 1st, and if receiving Summer I (7/1-8/15) wages, Summer II must be certified before July 10th. Failing to certify by deadline dates will delay Form 16 approval.

3. It is recognized that a precise distribution of time is not feasible, but a reasonable distribution is necessary. To confirm that the distribution of effort represents a reasonable estimate of work performed by the faculty and other university personnel, a variance between the actual time spent and what is reported of up to 5% will be tolerated.
4. No employee may charge indices, be paid for, or certify effort in excess of 100% in any time period.

III. Procedure

1. The following procedure is necessary to establish the certification requirements:

A. Time and Effort Reporting

1. The college/unit budget manager calculates and prepares the GALR form for each individual whose labor is to be redistributed from the department to the grant.
2. The GALR is then reviewed and approved by either the individual or the principal investigator (PI forwarded to GCA for processing).

B. Effort Certification

1. Effort certifications are manually generated by the college grant administrator throughout the year according to Section II.B. of this policy.
2. The individual employee will certify & sign the Effort Certification, when at all possible.
3. A responsible official having first-hand knowledge of the employee's total effort may certify & sign the report. This would include departmental chairpersons, principal investigators or dean.
4. The signatures of clerical or secretarial staff are not acceptable on any Effort Certifications, except when certifying their own effort.
5. "Per" signatures or rubber stamp signatures are not acceptable.
6. The certification report must be submitted to Grants and Contracts Accounting (GCA) by the dates noted in Section II.B. above.
7. Electronic, scanned copies are acceptable.

The Office of Grants and Contracts Accounting sends a reminder each reporting period and is available to assist with any questions regarding the completion of the form. The link to the Faculty and Professional Staff Effort Certification Form is as follows:

<http://www.wku.edu/finadmin/forms/index.php>

IV. Reason for Revision

June, 2016

Revised to reflect re-organization of the Office of Research and Creative Activity and updated for OMB 2 CFR Part 430.

June 2021

Updates to Sections I, II & III resulting from fifth-year policy review in accordance with policy 0.000V.

V. Related Policies

1.209V Faculty Workload and Compensation
All 3.25xx, 3.26xx and 3.27xx policies