



Policy Statement

As a recipient of federal funding, Loyola University Chicago is required to comply with the Office of Management and Budget Circular 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. Loyola University Chicago requires all individuals who receive federal sponsored funding to comply with University policies and sponsoring agency regulations regarding the proposing, charging, and reporting of effort on those awards.

Reason For Policy

The Uniform Guidance Subpart E 200.430 contains the federal regulatory requirements for internal controls over certifying time expended on sponsored projects. The University's practice is to utilize 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 should be certified by a responsible person, usually the principal investigator, with suitable means of verification that the work was performed, at the end of specified reporting periods. The effort certification should be a reasonable estimate of how time was expended. Section 200.430(C.x.) 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 [Institutions of Higher Education] a precise assessment of factors that contribute to costs is therefore not always feasible, nor is it expected."

Effort Defined

Effort is defined as the amount of time spent on a specific project in relation to all work done for Loyola University, whether the sponsor pays the salary or not. This work may include but is not limited to research, teaching and administration services. Effort is expressed as a percentage of time that always equals 100. An individual's effort may be broken down into various accounts and jobs.

Effort Reporting Policy

Faculty spending effort on federally funded sponsored programs are required to report activities for which they are compensated each academic term (no less often than every six months) and document it on an effort certification report.

Mandatory and voluntarily committed cost sharing included on the proposal budget page or budget justification and any salary cap cost sharing are also documented.

The effort reporting reflects an after-the-fact-reporting for effort both paid and cost shared.

All Lakeside employees who work on sponsored program accounting account(s) must have effort certified at least 3 times a year, fall, spring and summer. Health Sciences Division employees may follow a different schedule for effort certification.



Procedure

Sponsored Program Accounting will send out to the Principal Investigator a report for Lakeside campuses that contains all employees who worked on their federally funded sponsored account(s). The Principal Investigator is responsible for reviewing and certifying the report. It must be returned to SPA, reviewed and signed, within two weeks (14 calendar days) of SPA's original sent date.

- The PI is looking for the accuracy of the effort for that given time period.
- The PI is only certifying the work that was done on the account they are responsible for.
- All accounts are listed because effort is 100% of work completed for Loyola University of Chicago.
- Total effort cannot exceed 100%.
- There should never be negative effort on the report.
- The percentage of effort for the SPA account(s) should be reflective of what is stated in the proposal submitted to the sponsor or award documents from the sponsor.

Time Period of Report	Send Out by SPA	Due Back to SPA	Second Request	Third Request
Fall 9/1/XX-12/31/XX	April 30 th	May 14 th	May 15 th	May 22 nd
Spring 1/1/XX-5/31/XX	September 30 th	October 14 th	October 15 th	October 22 nd
Summer 6/1/XX-8/31/XX	November 30 th	December 14 th	December 15 th	December 22 nd

Non-Compliance

If signed reports are not received within two weeks (14 calendar days) of SPA's original sent date, a follow up e-mail to the departmental contact(s) will be sent.

If after three weeks reports are still not received an e-mail will be sent to the department head.

At any time the University may undergo an audit to determine whether the effort certifications are accurate and complete. Severe penalties, cost disallowance, and reduced or terminated funding could result from inaccurate, incomplete, or untimely effort certifications. As a result, the institution must have zero tolerance for those investigators that fail to comply.



Definitions

Academic Year – For effort reporting purposes, an academic year is the period of a faculty member’s appointment. Loyola faculty are generally appointed for either 9 or 12 months. 9-month appointments can relate to either a specific 9 month period or 9 months’ work spread over the fiscal year and 12-month appointments include all months during a fiscal year.

Certification – The assertion by a PI/faculty that the salaries charged to sponsored projects as direct charges or cost sharing reasonably reflect the effort expended and work performed during the period of work performed/reporting period.

Committed Effort – Amount or percentage of time an individual has communicated to the sponsor that he/she will work on a specific sponsored project over a specified period of time. Commitments are made in the award proposal and may be documented by the sponsor in award documents. Changes to reduce committed effort may require sponsor approval.

Cost Sharing – Any project costs that are not borne by the sponsor. Cost sharing of effort is the provision of faculty and/or staff time and related fringe benefits that were committed and provided in support of a project but are paid for by other sources of funding. Cost-shared effort in excess of the commitment made in the proposal does not have to be identified or certified.

Effort Reporting - The mechanism used to provide assurance to federal or other external sponsors that salaries charged or cost shared to sponsored awards are reasonable in relation to the work performed. Effort reports are also referred to as “certifications” or “statements.”

Faculty Institutional Base Salary (IBS) – Annual compensation paid by the University for an employee’s appointment (9 or 12 months), whether that individual’s time is spent on research, teaching, or other activities. IBS does not include bonuses, one-time payments, or incentive pay. Additionally, IBS does not include payments from other organizations or income that individuals are permitted to earn outside of their University responsibilities, such as consulting. IBS must be used as the base salary on all grant proposals unless there is a statutory limit on compensation (e.g. NIH cap).

Key Personnel – (NIH definition) The program director/principal investigator and other individuals who contribute to the scientific development or execution of a project in a substantive, measurable way, whether or not they request salaries or compensation.

PI/Faculty Effort – The proportion of time spent by an academic appointee on any University activity expressed as a percentage of time. 100% effort is the total time spent on University work within the scope of their academic appointment period (9 or 12 months), regardless of how many or how few hours an individual worked in the reporting period. The total effort reported for a PI/faculty member will always equal 100%, even if he/she is less than 1.0 FTE. Total academic period effort includes sponsored projects and non-sponsored activities that are funded by the University including work performed outside of normal work hours and work performed off-campus.

Supplemental/Summer Salary - Faculty compensated for 9-month academic appointments are permitted to earn up to an additional three months of supplemental/summer paid compensation on one or more sponsored and/or non-sponsored activities. Individuals can earn up to the equivalent of three months of additional salary for that effort,



subject to school and sponsor policies and the appropriate school level approval. See the supplemental and summer salary policies on the Office of Research Services webpage <http://www.luc.edu/ors/>.

Voluntary Uncommitted Cost Sharing – University faculty or senior researcher effort that is over and above that which is committed and budgeted for in a sponsored agreement. This differs from mandatory or voluntary committed cost sharing which is cost sharing specifically pledged in the proposal's budget or award. Effort relating to voluntary uncommitted cost sharing does not need to be charged to federal awards or be certified.

Frequently Asked Questions

What are some examples of activities that cannot be allocated to my sponsored project?

- Proposal-writing, except for non-competing continuations (progress reports); this includes
 - Developing necessary data to support the proposal
 - 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

It's unclear what should be certified, payroll or actual effort.

Payroll charges to sponsored awards serves as the initial data point(s) for the LUC effort reporting system. As such, reports will be generated that reflect actual payroll charged within the University's payroll system, to actual accounting units. Effort should sum to 100%.

I am a staff member and work 100% on a sponsored research grant. I am also an infrequent advisor to Loyola's Institute for Environmental Sustainability, an activity that I spend a few hours a year on. Is that something that should be included in my effort?

Infrequent, irregular activity that would normally be considered so small that it is not statistically significant is called de-minimus effort. De minimus effort is not required to be certified.

I'm still unclear on what it means by "effort". Can it be explained a different way?

Most simply, if a person spends 40 hours a week on Loyola activities and one day a week is devoted entirely to work on a certain project, he/she has spent 20% of his/her time on that project. 40 hours per week/5 days in the workweek = 8 work hours in a day. 8 hours/40 hours = 0.2 or 20%.



I'm a current faculty member. I often work 50 or more hours per week. The number changes from week to week and month to month and is reflective of the uneven nature of research, teaching, and administration. It looks like the admission of working extra hours can only penalize the individual. As an example, faculty members A and B receive the same amount of money from the grant, yet because B works longer hours he/she appears to be receiving too much from the grant, and should in fact receive far less for the same amount of work. It seems that all faculty members should then be careful to not work more than their allotted hours per week. Is this correct?

The university does not specify the number of hours per week a faculty member must work. There is an expectation that members of the faculty will work the hours necessary to carry out the professional responsibilities of their position. There is also the realization that the number of hours required for any activity will change over time. That's one of the reasons effort reporting is based on a percentage of effort rather than a number of hours.

Faculty appointments generally specify an annual salary amount. That rate of pay covers all the activities you perform for your department- research, teaching, outreach, public service. Sponsors expect that the salary charged to their project for the effort performed will be at the same rate as the salary charged to other activities performed by the faculty member.

Effort on grants is to be based on your university effort. The underlying principle here is that sponsors are not to be charged at a higher rate per unit of effort than the institution pays an employee for effort directed towards other university activity. The percent of salary allocated to your grant should be commensurate with the percent of your total university work effort, directed towards the goals of the grant. This principle demonstrates that regardless of the activity engaged in for the university the compensation for that effort is at a consistent rate.

There are accounting units on my effort statement that I do not control/have signature authority on. Do I need to certify these too?

In order to present effort at 100% of an employee's time, all AUs on which an employee is being directly charged are presented on the effort statement. The signature on the statement certifying effort is only for that PI's AUs, not all of them.

How is my effort preparing my next grant proposal funded?

During the effort reporting period in which you prepare the proposal, the percentage of your effort spent on proposal preparation must be funded by University sources other than sponsored projects. However, if you are writing a progress report or a request for non-competing funding, those activities may be appropriately charged to the sponsored project.

How is vacation time charged when someone is funded from multiple grants?

The university applies a consistent practice of paying vacation and other accrued leave from the funding in place at the time the leave is taken. If grant funds are not being used to support the individual at the time leave is taken, the department will cover the costs. This is a fairly common practice at institutions and is viewed as acceptable because Loyola is consistent in the application and does not discriminate between funding sources.