

Effort Reporting

Approval Authority: Cabinet
Responsible Executive(s): CFO, Vice President for Finance and Treasurer, Provost and Vice President for Academic Affairs
Responsible Office(s): Office of Sponsored Accounting and Cost Analysis
Effective Date: May 6, 2025

I. Purpose of this Policy

The University receives funding from federal, state and other sponsors in support of research, instruction and other activities awarded through various types of agreements, including without limitation grants, contracts and cooperative agreements (“Sponsored Projects”). As a condition to receipt of federal funding, the University must maintain records which provide reasonable assurances that all charges are accurate, allowable, and properly allocated including charges supporting research personnel. These records must reasonably reflect the total activity for which the employee is compensated, including all sponsored activity and all other compensated activities regardless of source, not to exceed 100% of the employee’s Institutional Base Salary (IBS). In compliance with this requirement, the University has established a system for reporting the percentage of an employee’s time (i.e., effort) that is devoted to Sponsored Projects. The University has chosen to apply this standard to all sponsors through implementation of this Policy.

II. Definitions

Committed Effort: The amount of time an individual has communicated to the sponsor that they will work on a Sponsored Project over a specified period of time. Committed effort should align with the faculty or staff member’s workload capacity and other professional commitments. Any changes to committed effort may require sponsor approval.

Effort: The amount of time spent on a particular activity, including the time spent working on a Sponsored Project to which Institutional Base Salary (IBS) is directly charged, whether funded by the sponsor or cost-shared with University funds. Individual effort is expressed as a percentage of the total amount of time devoted to work-related activities for which the University compensates an individual, including instructional activities (e.g., classroom teaching, course and exam preparation, advising, class coordination), research and other sponsored activities (e.g., conducting experiments, analyzing data, research methods, participant recruitment, lab meetings, attending conferences, publishing results), and other institutional activities (e.g., serving on faculty search committees and task forces, campus community service).

Effort Certification: An after-the-fact attestation that the percentage of salaries and wages charged to each cost center reasonably reflects the effort expended on those activities. Material differences must be adjusted so the compensation aligns with actual effort. Through this process a Principal Investigator (“PI”) or appropriate Faculty confirms that the Effort expended and certified to a Sponsored Project reflects the actual Effort of the

individuals who work on a Sponsored Project.

Institutional Base Salary (IBS): The actual aggregate annual compensation paid by the University for an individual employee's appointment whether that individual's time is spent on instruction, research or other institutional activities. IBS may be based on a 9-month or 12-month period, depending on the individual's appointment. IBS does not include Special Compensation. Under no circumstances may IBS include or be increased by funds from a Sponsored Project in order to replace University compensation or otherwise.

Special Compensation: Any (a) pay for work performed above and beyond the individual's normal duties outlined in their regular academic and/or administrative appointment and (b) other monies or benefits the individual may receive from the University, including but not limited to: temporary stipends for administrative appointments, such as Department Chair, Research Center Director or Institute Director; temporary stipends for distinguished professor appointments; reimbursed expenses; compensation for extra teaching (including Stevens Online, on-campus, and off-site teaching); one-time payments; incentive compensation payments; salary paid directly by another organization; and income that an individual is permitted to earn outside of the University.

Any Faculty with a 9-month appointment that expends effort during summer months (June through August), shall ensure that such effort is properly reviewed and certified by the Faculty (in the same manner as academic salary). Examples of this include summer teaching compensation and/or summer Sponsored Research compensation.

III. Policy

Consistent with the Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR 200 ("Uniform Guidance"), Institutional Base Salary of faculty and staff expended on a Sponsored Project, whether funded or cost shared by University funds, must be charged to the corresponding Sponsored Project account(s) in proportion to the Effort actually expended. The PI or appropriate Faculty must certify all Effort charged to a Sponsored Project for which such PI or Faculty is responsible.

It is the expectation of most sponsors and the University that the PI have at least a minimal commitment to each Sponsored Project. It is crucial that PIs be aware that some federal sponsors may require that all "key personnel" (as defined by the relevant Sponsor) have a measurable commitment (i.e. no less than 1%) to a Sponsored Project which is reflected in effort reporting for such Project.

Effort Certification must comply with the following:

- A.** Faculty shall verify that employee Effort reports reasonably reflect the percentage distribution of Effort expended by the University's faculty and staff committed to a Sponsored Project. The report must account for 100% of an employee's actual Effort for the given time period, including time not spent on the Sponsored Project.
- B.** The Office of Sponsored Accounting and Cost Analysis ("OSA") oversees the Effort reporting process and approves all final Effort certification forms. Effort Certification takes place three times annually, after each semester including the summer term.
- C.** Effort and related personnel costs charged to Sponsored Projects are required to be certified by the PI or Faculty following the distribution of the Effort Certification forms to the PI or Faculty by OSA within thirty (30) days, or as specified by OSA. After receipt by OSA, salary distribution adjustments, if warranted, will be posted to the University's accounting system.
- D.** Failure to complete Effort Certification forms will result in removing payroll expenditures (as well as associated fringe benefit costs) from the Sponsored Project and charging those expenditures to a department's non-sponsored account. This cost must be covered within the existing approved department budget.
- E.** The Effort Certification form serves as an attestation to verify that personnel costs charged to a Sponsored Project have been approved by the PI or Faculty and that the personnel costs represent the actual Effort expended by each individual whose salary is charged to the account.
- F.** The Uniform Guidance recognizes that teaching, research, service and administration are often inextricably intermingled in an academic setting. Therefore, knowing and certifying Effort with precision may not be feasible. In recognition of this, the University has determined that a difference of up to 5% between the actual Effort expended and the Effort certified on each account is reasonable.
- G.** Compliance with this Policy is required for all employee compensation charged to a Sponsored Project.

Failure to comply with the requirements of this Policy may result in disciplinary action up to and including termination or expulsion in accordance with relevant University policies.

Related Policy: Policy on Institutional Base Salary