

Georgia State University

Personnel Effort Reporting Policy

Purpose

Application of the following policy and the related Personnel Effort Reporting procedures will ensure that Georgia State University complies with all applicable federal laws and regulations. This policy will ensure that the effort expended on sponsored projects is appropriately documented and justifies the salaries charged to those projects. Financial penalties and expenditure disallowances can occur if employees do not comply with this policy. All individuals involved in the effort certification process are expected to abide by the provisions of this policy and the related Personnel Effort Reporting Procedures. These individuals, including faculty, are expected to understand these policies and procedures and be able to converse effectively to co-workers, sponsoring agencies, and auditors if necessary.

A. Overview

The Federal government's Office of Management and Budget (OMB) Circular A-21 regulations (*Costing Principles for Higher Education Institutions*) Section J.10, (entitled *Compensation for Personal Services*) require that each institution maintain an acceptable effort reporting system. Georgia State University requires certification for effort expended on any sponsored project. For financial reporting purposes, Georgia State University also requires employees to estimate the proportion of their University-funded effort that is expended on research and instruction.

B. Personnel Effort Reporting System

Georgia State has established a Personnel Effort Reporting system in order to comply with these requirements.

All Georgia State University employees **exempt** from the Federal Fair Labor Standards Act and retirees who meet the following criteria are covered by the Personnel Effort Reporting System:

1. Employees with any portion of their salary charged directly to a sponsored program or companion cost sharing account and/or
2. Employees who are expending effort on university or department research (see Table 1 for definition) in a capacity other than as a graduate student

The system generates a Personnel Effort Report (PER) for these employees. Each PER accounts for 100 % of the effort required to fulfill the employee's obligation to the University and for which the employee is compensated by their institutional base salary (IBS).

A PER is not generated for **non-exempt** employees because their time-sheets document their effort.

Definitions

One hundred percent (100%) of effort is defined as the effort expended to accomplish the set of activities encompassed by an individual's Georgia State University employment. This is typically referred to as the employee's workload, and includes the activities listed on Table 1. One hundred percent effort is not defined as a single, standard number of hours or days per week and will likely differ between employees. The number of hours implicit in an employee's 100% must be reasonable and supportable to department, school/college, university and

Georgia State University

external reviewers if requested. University effort does not include effort expended on professional activities that are not part of the individual's University workload, such as consulting and volunteer activities.

Institutional Base Salary (IBS) is defined as all amounts paid to an individual by Georgia State University as compensation for services rendered, excluding special supplements such as administrative stipends and extra compensation which are time-limited or specific. These special supplements are typically not charged to federal awards. They are for effort outside the normal workload and must be separately identified and documented in the payroll system. IBS also does not include any compensation earned as a result of permitted outside-the-University-professional activities, such as consulting, honorarium, and serving on external review panels.

C. Certification of Effort

Georgia State utilizes an after-the-fact certification of effort system that generates Personnel Effort Reports (PERs) three times a year (depicting the effort expended for and during the Fall, Spring, and Summer semesters). Reports are generated after the completion of each semester. The PER documents the proportion of the individual's total effort spent in the five activities listed on Table 1 during these time periods. Because PERs are one of the source documents that support salary charges to sponsored projects, it is essential that this data be based on reasonable estimates of actual effort expended on these activities.

As stated in OMB Circular A-21, reasonable estimates are based on the understanding, 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." (A-21, Section J.10.b.1.c)

PERs are required to be certified in a timely manner by individuals "with suitable means of verification that work was performed" (OMB A-21 J.10.c.2.c) as outlined in Georgia State University's PER procedures.

D. Effort Commitment

Sponsors generally consider estimates of efforts (and corresponding salary requests) in project proposals to be commitments if such proposals are subsequently awarded. Principal Investigators (PIs) are responsible for adhering to sponsors' policies concerning effort commitment. Federal agencies (either via direct or indirect funding through federal flow through) require PIs to fulfill their effort commitments. These agencies require PIs to obtain **prior** approval from a sponsor for a significant reduction in their effort from the level approved at the time of the award over the budget period of the award. This is stipulated in OMB Circular A-110 (*the Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education*) Section 25.3.c: "recipients shall request prior approvals from Federal awarding agencies for...The absence for more than three months, or a 25 percent reduction in time devoted to the project, by the approved project director or principal investigator." This means, for example, a PI who is committed to expending 30% of their effort on a project for the budget year would need to obtain sponsor approval if effort is reduced to 22.5% or lower for the budget year.

Georgia State University

Cross References

There are additional Georgia State policies relevant to personnel effort reporting on the University Research Services and Administration (URSA) website as well as the Personnel Effort Reporting Procedures for implementing this policy.

<http://www.gsu.edu/research/manuals.html>

Table 1. Definitions of five categories of effort

Sponsored Activity	All activities established by grant, contract or cooperative agreement with a sponsoring agency, and that are budgeted and accounted for separately by a sponsored account (Fund Code 20.)
Cost Share	<p>Costs or specific activities assignable to a sponsored project that are not funded by that project. This category refers to all <i>committed</i> cost sharing activities including the excess of the NIH salary capitation on sponsored projects. Committed cost share are costs and activities proposed to sponsors and awarded as such and/or is <i>required</i> as a condition of the award. Once awarded, the commitment must be fulfilled. Voluntary committed cost sharing is discouraged and must receive the appropriate approvals (see PERs Procedures).</p> <p>A companion account must be established and charged for the effort expended including the excess of the NIH salary capitation.</p>
University Instruction	Teaching and training activities of the university that are supported by university funds. This category includes all teaching and training activities, whether offered for credit toward a degree, certificate or on a non-credit basis offered through regular academic departments or as continuing education activities. This effort includes activities such as test grading and preparation, class monitoring, demonstrations for student groups, scheduling, designing/revising academic courses, Thesis/Dissertation supervision, serving on student research and academic project committees, etc.
Research (University and Department)	All research and scholarly activities that are supported by state funds (university and department.) These include University funds that are separately budgeted and those that are part of the department's budget. Research does not include research administration activities.
Other Activities	Activities that are established primarily to provide non-instructional and non-research services to individuals and groups internal or external to the university. This category includes community service programs, department, university, professional service, editorial activities, technical assistance, consulting services otherwise not compensated and considered part of the individual's University effort, and similar non-instructional services. It also includes activities performed for administrative and supporting services that benefit common or joint departmental activities or objectives in academic deans' offices, academic departments and divisions, and organized research units.