POLICY

Issued: October 3, 2007

Contacts for questions about this policy, click here

Application of the following policy and the related Personnel Effort Reporting (PER) 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.

Overview

The Federal government's Office of Management and Budget (OMB) Federal Uniform Guidance requires 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.

DEFINITIONS

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Percent (100%) Of Effort</td>
<td>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 in Definitions of Five Categories of Effort of this Policy. 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 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.</td>
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<tr>
<td>Institutional Base Salary (IBS)</td>
<td>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.</td>
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Definitions of Five (5) Categories of Effort

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Sponsored Activity</td>
<td>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.)</td>
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<tr>
<td>Cost Share</td>
<td>Costs or specific activities assignable to a sponsored project that are not funded by that project. This category refers to all committed 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 required 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 Procedures). A companion account must be established and charged for the effort expended including the excess of the NIH salary capitation.</td>
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<tr>
<td>University Instruction</td>
<td>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.</td>
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<tr>
<td>Research (University and Department)</td>
<td>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</td>
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<tr>
<td>Other Activities</td>
<td>These 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.</td>
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**POLICY DETAILS**

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 (refer to Definitions of Five Categories of Effort of this Policy) in a capacity other than as a graduate student.

The system generates a Personnel Effort Report 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 timesheets document their effort.

**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 in *Definitions of Five Categories of Effort*, of this Policy, 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 the Federal Uniform Guidance, 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.”

PERs are required to be certified in a timely manner by individuals “with suitable means of verification that work was performed” as outlined in Georgia State University’s PER procedures.

**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 Federal Uniform Guidance “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.

**PROCEDURES**

*Revised: October 28, 2016*

**Salary Allocation for Effort**

Procedures for salary allocation ensure that salary distribution involving sponsored project accounts occurs concurrently with actual project effort and that PIs and other key personnel fulfill their effort commitments.
1. Upon receipt of a new award, PIs and other key personnel review their effort commitments to all sponsored and non-sponsored projects to ensure that they can honor their commitments. Commitments to sponsored and non-sponsored activities cannot sum to more than 100%. Appropriate action should be taken if changes need to be made, including seeking prior approval from the sponsoring agency for significant reductions in effort on the new or other sponsored projects and discussing with their department head changes in non-sponsored activities. (See Effort Commitment in Proposals and Subsequent Fulfillment Section, of this Policy, for a detailed explanation of effort commitments.)

2. PIs will inform the appropriate department administrative staff member who has been assigned responsibility for unit level processing of PERS (to be known as the PERS Coordinator in this document, but will have more standard titles in a department such as Business Manager, Grants and Contracts Specialist, Accountant, etc.) of the proposed effort for all personnel on their sponsored project, including themselves, as well as how the new award affects effort for other sponsored and non-sponsored projects.

3. PIs must also make sure their PERS Coordinator knows about any committed uncompensated effort (i.e., committed cost share). This is effort funded by University funds that was included in the proposal. Committed cost share must be documented through a companion account associated with that sponsored project. This includes committed cost share that occurs because of sponsor-imposed salary caps (e.g., NIH).

4. Voluntary uncommitted effort (defined as effort expended on the project that is not committed in the proposal or compensated for by the sponsored project) is not documented on a Personnel Action Form (PAF) or on the Personnel Effort Report (PER) as sponsored activity.

5. As soon as the PERS Coordinators are informed, they will initiate a PAF. The timely completion of the PAF will ensure that an employee's salary distribution between sponsored projects, companion accounts (for committed cost sharing), and non-sponsored funds are consistent with their effort.

6. During the life of a sponsored project, PERS Coordinators must be informed of any changes in effort. If at all possible, this should occur prior to when an employee's actual effort changes. PERS Coordinators will complete a PAF so salary distribution will reflect actual effort as soon as possible.

7. PIs approve the PAFs for all personnel employed on their grants.

**Effort Reporting Process**

1. Three times a year a PER will be generated by the Effort Reporting System for all personnel covered by the Personnel Effort Reporting Policy. Georgia State University uses a web-based electronic Effort Reporting System (ERS). The PER will contain estimates of effort based on the percentages of an employee’s IBS that are allocated to all sponsored and non-sponsored accounts. These effort estimates are based on salary allocation percentages from the University payroll system. They are therefore based on proposed effort allocations rather than actual effort. They are provided solely for informational purposes.
2. Departmental PERS Coordinators should pre-review the PERs for all individuals in their unit and determine if the effort allocation is consistent with their records (e.g., their PAFs, notes based on discussions with PIs). Departmental PERS coordinators can complete the University-funded effort summary screen during pre-review based on knowledge of employees’ workload. After pre-review is completed, the PERs become available to appropriate certifiers (defined in “Who can certify PERs? Section” of this Policy).

3. Certifiers must review the effort percentages on the PER initially based on salary allocation and determine if those percentages reasonably correspond to the percentages of the actual effort on each sponsored project or activity. They should also estimate the percentage of University-funded effort spent on instruction, research, and other, as defined in “Definitions of Five Categories of Effort” of this Policy. The completed PER must reflect the individual’s total University effort (refer to Definitions). Total University effort (sponsored and non-sponsored combined) cannot be more or less than 100%.

4. If effort percentages based on salary allocation reflect actual effort, the certifier should certify the PER. Effort certification is the affirmation by the individual completing the PER that the percentages of effort reported on the report for the timeframe being considered are accurate. It is understood that such estimates only need to be reasonable and that effort devoted to different activities are frequently inextricably intermingled. Knowingly signing an inaccurate effort certification is a serious violation of University policy, as well as potentially a violation of civil and criminal fraud statutes.

Timing

1. Georgia State University uses after-the-fact certification.
2. For fall and summer semester, PERs are created 30 days after the close out of the semester. Certifiers are responsible for completing effort certification within 30-45 calendar days from the time that effort reports are available for certification (i.e., 60 days after the close out).
3. For spring semester, the creation of PERS and the certification period occur on an accelerated schedule in order to be completed by the close of the fiscal year.

Changes in Effort Report

Changes initiated by the Certifier before the end of certification period:

1. When the percentage of actual effort expended is less than the percentage of salary charged to the sponsored project, the certifier must correct the PER. The certifier will change the effort allocation on the PER to reflect actual effort distribution. The certifier can then certify the corrected PER. When the percentage of actual effort is more than the percentage of salary charged to the sponsored project, no change in effort allocation is required because this effort is considered uncommitted voluntary cost sharing (see below).

2. The department PERS Coordinator must complete the appropriate PAF reallocating salary so that there is a change in the actual payroll distribution in the payroll system to match the actual effort. Note that all such PAF changes for Spring Semester must be made before the end of the fiscal year (June 30) in accordance with the Georgia State University’s year-end close-out procedures.
Retroactive adjustments to salary allocation

Retroactive adjustments to salary allocation are changes in salary allocations after the certification period (i.e., 60 days after the close of summer and fall semester or after the end of the fiscal year).

1. PAFs used for retroactive salary adjustments must be accompanied by a written request from the PI detailing the justification for the change. Lack of oversight or unidentified mistakes have not been widely accepted in recent audits as adequate justifications.
2. Retroactive salary adjustments must be approved by the Office of Sponsored Proposals and Awards (OSPA) prior to being processed. Such approval is contingent on an adequate justification.
3. Retroactive salary adjustments requesting costs be charged onto sponsored projects will not be approved if the requested adjustment is more than one year after the date of the initial charge.
4. If a PER has already been certified, it will be deleted. A revised PER will be generated based on the salary adjustment.
5. The PI must certify the revised PER.
6. Retroactive salary adjustments are cost transfers and must be completed in accordance with Georgia State University’s Cost Transfer Policy and Procedures.

Who can certify PERs?

**Employees whose salary allocation includes charges to a sponsored project(s) or a cost share account.** PERs must be certified by someone who has a “suitable means of verification that the work was performed.” Typically, this will be the Principal Investigator or someone who has reliable knowledge about the effort the individual expended on the project.

Coordinator does not have after-the-fact knowledge of an employee's Total Work Effort and should not certify the effort of employees whom they do not supervise.

1. Faculty members on sponsored projects are required to certify their own PER. In extraordinary circumstances where a faculty member on a sponsored project is unavailable to certify his or her effort report, the Business Manager of the Georgia State University Research Foundation (GSURF) or designee will be notified and will determine the appropriate steps to achieve certification.
2. For other personnel on sponsored projects:
   - PIs typically certify the PERs of employees working on their sponsored projects except for other faculty.
   - PI can designate another individual to certify a sponsored project’s PERs. PIs must inform the department administrator that the designee has suitable means of verifying the employee’s effort on the sponsored project (e.g., a Laboratory or Project Director).
3. Employees may certify their own effort reports.

**Employees funded solely by University funds.** Department coordinators can complete and certify PERS. This should only occur when employees do not expect to be funded by sponsored projects in future semesters.
Effort Commitment in Proposals and Subsequent Fulfillment

The following is a more detailed explanation of the relation between effort commitment, actual effort, and effort certification:

Levels of effort in any sponsored project proposal should be consistent with the actual effort that each individual is expected to expend on the project, except when not allowed by the sponsoring agency (e.g., academic year for many NSF programs). The amount of salary support requested normally should be determined by multiplying the proposed level of support by the individual’s Institutional Base Salary (IBS). (See below for more detailed examples.)

For example, if the proposed level of effort is 33.3% (or three person months for an academic year appointment), and the individual’s IBS is $60,000, the requested salary support would be $20,000 per year.

For proposal purposes, proposed level of effort must be expressed in accordance with sponsor requirements. Some sponsors require the level of effort be proposed in terms of person months (equivalent to one month of work), while others expect the proposed level of effort in percentage term (e.g., three person months is the same as 33.3% of a 9-month appointment). Salary requests also can be used to determine effort commitments (i.e., % of salary funded by sponsored project = % effort committed).

Faculty members at Georgia State University have either nine or twelve month appointments. Faculty members with nine month appointments typically divide effort between the nine month academic year and the three month summer term. This division of effort across the calendar year is different from payroll distribution (that divides the year into ten and two month periods).

Not all proposals are awarded; therefore, an employee’s proposed effort may exceed 100%. It is the PI’s responsibility to ensure that all key personnel can honor their effort commitments as determined by the terms and conditions of the award. Federal agencies (either via direct or indirect funding through federal flow through) require PIs to fulfill their effort commitments. At the time of an award or during the lifetime of an award, a PI may need to negotiate a change of effort commitments with the sponsoring agency. Documentation of sponsor approval of changes to effort commitments must be sent to the PI’s Sponsored Programs Officer at Georgia State University.

When an awarded budget reflects a reduction from the proposed budget, the PI must evaluate and determine the impact on effort commitments. Generally, a budget reduction of 25% or more from the proposed budget indicates that a proportional reduction in the effort commitment is appropriate, along with a reduced project scope of work. PIs should negotiate the reduced commitment of effort and scope of work at the time of the award.
Minimum effort. Faculty are expected to propose some level of activity (>0%) and the corresponding salary on which they are listed as Principle Investigator or key personnel unless specifically not allowed by the sponsor.

Maximum effort. Maximum amount of effort an employee can devote to a project is 100%. However, faculty generally have responsibilities for teaching, administration, and service that would preclude them from devoting 100% of their time to sponsored activities. During any period that a faculty member is devoting 100% of their university effort to sponsored projects, he or she cannot devote a significant amount of their effort to other activities that are considered part of their University effort (refer to “Definitions of Five Categories of Effort” of this Policy).

Effort during Academic Year
Faculty with nine month appointments can frequently expend effort on a sponsored project because they decrease effort on instructional activities and teach fewer courses during the academic year. However, effort and corresponding salary distribution is not synonymous with “course buyouts.” The following are examples of different ways faculty may fulfill their effort commitments to sponsored projects during the academic year.

1. Faculty may negotiate with their department head for a reduction of their instructional activities in order to fulfill their effort commitments during the academic year. They also may reduce their University-funded “other” or “research” activities (refer to “Definitions of Five Categories of Effort” of this Policy).

   For example, when not working on a sponsored project, Dr. Jones’ University-funded (non-sponsored) workload during the academic year is 34% research, 33% instruction, and 33% other activities. After receiving an award, she is committed to spending 33% of her academic year effort engaged in activities related to the sponsored project and receives 33% of her salary from that project. She reduces her instructional load one course each semester and also engages in less service activities than is typical for her unit. Her Personnel Effort Report would indicate that she spent 33% of her effort on the sponsored project and 67% on non-sponsored activities. She distributes her non-sponsored activities as 24% research, 20% instruction, and 23% other.

2. Faculty who are expecting to maintain a consistent level of effort on a sponsored project across the academic year should allocate the same percentage of salary to that sponsored project for fall and spring semesters.

   For example, Dr. Brown has committed 12.5% of his time for the academic year to a sponsored project and is released from teaching a course in the fall. If he is spending the 12.5% effort equally across the semesters, he should charge the sponsored project 12.5% for both fall and spring semesters. If he is only expending effort in the fall, he would charge the sponsored project 25% of his salary fall term.
3. Faculty may devote time to a sponsored project and reduce department/university research, non-coursework instruction, or other activities without a reduction in teaching load.

For example, Dr. Smith, as a co-PI on a funded project, commits to spending 5% of his time to the sponsored project. His salary distribution would be divided between the sponsored project account (5%), and University accounts (95%). He divides his effort into these four types of activities: 5% on sponsored activities, 29% on department/University research, 33% on University instruction, and 33% on other activities.

4. A faculty member may devote more effort to a project than is committed in the proposal or reflected in salary allocation. This is known as voluntary uncommitted effort and is part of the faculty member’s non-sponsored (university) activities. University workload should be such that effort can be devoted to the project.

For example, Dr. Clinton is working on her NSF-funded sponsored project during the academic year. She did not commit any specific amount of effort during the academic year in her proposal because the NSF program will not fund faculty salaries during the academic year. 100% of her effort is devoted to non-sponsored activities and her work on the NSF project is part of her university/department research activities. She may or may not be devoting more than the 34% of her total workload to research. She will divide her university workload accordingly.

For example, Dr. Bush commits to spending 25% of her time to her sponsored project during the academic year and charges accordingly. She actually devotes 40% of her time to the project. Her PER will indicate she spent 25% of her time on the sponsored project, and 75% on University-funded effort. She divides her University-funded effort into 30% research, 20% instruction, and 25% other.

5. A faculty member may commit to expend effort on a proposal during the academic year but not request salary. This is committed cost sharing and must be documented in a companion account and follow cost share policy and procedures for mandatory and voluntary committed cost sharing.

Summer Effort

Faculty that have nine month academic appointments are permitted to expend up to an additional three months of summer effort on one or more sponsored project and earn up to three months of summer salary. This would be 100% of effort during the summer semester if that effort is devoted to sponsored activities. Effort devoted to a sponsor project during the summer can range from 1 to 100%, if a faculty member is not teaching a course. A course accounts for 30% of summer effort.

A request for summer salary indicates a commitment to put forth the comparable effort on the particular project during the summer, not the academic year. Faculty devoting any effort to activities not covered by a sponsored project cannot certify 100% effort to that sponsored project. Effort expended during the academic year does not satisfy a commitment related to the receipt of summer salary. Faculty who
receive summer salary from a sponsored project will be required to certify that that effort occurred during the summer salary period.

For example, Professor Smith receives 100% of her salary during the summer months from a sponsored award. She will be required to certify that she spent 100% of her summer effort devoted to that sponsored project.

If a faculty member has administrative, instruction, or non-research responsibilities during the summer period, generally, they are precluded from devoting 100% effort to sponsored projects and, thus, from requesting a full three months of salary from those sponsored projects.

**Academic vs. Summer Effort**

Most sponsors consider effort commitments in terms of the sponsored project’s budget period. For faculty with nine month salaries, effort committed during academic and summer periods do not need to be fulfilled during those periods, as long as actual effort for a budget year is not significantly reduced from the committed effort for that budget year AND the faculty member can certify they expended the effort during the period the sponsored project is charged.

For example, Dr. Lui committed to three person months (or 33.3%) of effort during the academic year in her proposal and commits no effort during the summer months. At the time of the award, she decides to devote 100% of her effort during the summer months to the sponsored project. She does not have any additional funds to charge the sponsored project for her academic year salary. She has fulfilled her commitment for the year. However, she must expend 100% of her effort during the summer period. Any effort devoted during the academic year cannot be used to fulfill the summer months’ effort. It is considered volunteer uncommitted effort and is not tracked as sponsored activity.

**Fulfillment of commitment through cost share accounts**

Because of unexpected expenditures for a sponsored project, a faculty member may wish not to charge his or her salary to the sponsored project. Committed effort can be fulfilled by establishing and charging a companion cost share account. However, this is voluntary committed cost share and requires prior approval by the faculty member’s chair, dean, and the Vice President for Research and Economic Development due to its impact on F & A rates (see GSU’s Cost Share Policy and Procedures).

**RESPONSIBILITIES**

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<tr>
<td>Principle Investigator or Director (PI / PD)</td>
<td>Complies with effort reporting policy by assuring the accurate completion and return of effort reports via online PERS system</td>
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<tr>
<td>Dept. Coordinators</td>
<td>Provide oversight to ensure that effort reports are completed in a timely manner by everyone in their department or unit; Works with the PERS Officer in URSA to assure that all employees for which effort reports must be submitted are in the PERS system</td>
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</table>
Prepares and issues effort report documents for spring, summer and fall effort reporting on sponsored projects; assures compliance with this policy; provides ongoing maintenance of effort reporting system for sponsored projects; provides effort reporting data to sponsors and other agencies as requested.

**CONTACTS**

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<tr>
<th>Subject</th>
<th>Office</th>
<th>Telephone</th>
<th>Email</th>
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<tbody>
<tr>
<td>Policy interpretation and procedural questions</td>
<td>PERS Officer, University Research Services &amp; Administration</td>
<td>404-413-3524</td>
<td><a href="mailto:reastwood@gsu.edu">reastwood@gsu.edu</a></td>
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