

Requirements DRAFT 10/26/10

Effort Reporting and Certification Requirements EASE Forms

Effective: January 2011

Contents

[Overview](#)

[Effort Reporting](#)

[Effort Certification](#)

[Cost Sharing](#)

[Changes in Effort and/or Funding Source](#)

[B-base Summer Salary](#)

[Roles and Responsibilities](#)

[EASE Form](#)

[EASE Form Certification and Submission](#)

[Timeliness](#)

[Training on Effort Reporting and Certification](#)

[Consequences](#)

[Resources](#)

[Appendix A: Definitions](#)

[Appendix B: Cost Transfers](#)

[Appendix C: Guidelines for B-base Faculty Salary](#)

Overview

Effort reporting and certification is an auditable process required by the federal government (OMB Circular A-21) to verify that direct and indirect labor charges and cost share efforts to federally funded sponsored projects are reasonable and reflect actual effort performed. Iowa State University requires that the effort of salaried employees be reported and certified to meet federal requirements.

[top](#)

Effort Reporting

Effort reporting is the mandated method of certifying to granting agencies that the effort charged or cost shared to each award has actually been completed. While salary charges to sponsored projects are made *initially* based upon the estimated workload of faculty and others, the *actual* effort of each individual working on sponsored projects must be monitored, with charges modified as necessary based on variances between the estimated and actual effort.

Employees who have worked on a sponsored project are required to assure the sponsor that:

- Effort was devoted to the project at a level that corresponds with salary paid from the project, and
- Commitments of effort to the project have been fulfilled, regardless of whether the sponsor provided salary support.

[top](#)

Requirements DRAFT 10/26/10

Effort Certification

Effort certification is the university's means of providing assurance of effort to sponsors. To certify effort, an Employee Activity Summary of Effort (EASE) form is completed to show:

- Effort performed on federal and state sponsored projects from which salary was paid, and
- The cost-shared effort on any sponsored projects.

The employee or his/her supervisor must make sure that the EASE form shows a correct distribution of effort. This requires a good understanding of many things, including:

- Direct effort paid from sponsored projects
- Cost sharing
- Commitments to sponsored projects
- Functional categories of the institutional activities performed (i.e., instruction, research and scholarship, outreach, administration, other/service)

Those who complete effort reports must ensure that the certification reflects a reasonable estimate of the actual effort expended. The certified direct effort must equal or exceed the percentage of paid effort from federal sourced funds. The amount of certified effort for cost share must equal or exceed the percentage of pledged effort for the sponsored program.

[top](#)

Cost Sharing

Cost sharing represents that portion of the total project costs of a sponsored project borne by some entity other than the sponsor, or granting agency. Typically, cost sharing relates to the commitment of personnel (i.e., effort devoted to the sponsored project), but may also include non-personnel commitments. Cost sharing falls into three distinct categories: mandatory cost sharing, voluntary committed cost sharing and voluntary uncommitted cost sharing. See [Appendix A: Definitions](#).

If a proposal states that the university will provide mandatory cost sharing or voluntary committed cost sharing, the principal investigator (PI) must identify the funding source and obtain the approval of the administering unit with authority over those funds at the time the proposal is submitted to the sponsor. Once the proposal is funded, the institution has a binding commitment to document the cost share. Furthermore, those costs must be readily identifiable in the university's financial records to auditors and others to document that those cost sharing commitments have been met and properly certified.

Voluntary *uncommitted* cost sharing does not have to be identified, nor does it have to be certified for a specific award.

[top](#)

Requirements DRAFT 10/26/10

Changes in Effort and/or Funding Source

Faculty and staff must make every effort to allocate sponsored project costs to the appropriate account(s) at the time the costs are incurred. However, there are certain circumstances when a cost transfer from one account to another may be necessary.

If there is a change in effort, a corresponding change in funding source within the payroll system should be processed in a timely manner to ensure the integrity of the effort reporting process. For federal sourced awards, such changes must be made within a 90-calendar day period from the initial posted payroll transaction date. If changes are made after EASE reports are printed, employees may need to manually revise and recertify their forms to reflect the changes.

See [Appendix B: Cost Transfers](#) for cost transfer rules, requirements, and examples.

[top](#)

B-base Faculty Summer Salary

Payment of summer salary for B-base faculty must reflect the actual effort during the time period for which the summer salary is received. Guidelines have been specifically developed for the charging of B-base summer salary (in addition to academic year salary) to assure compliance with the federal requirements. See [Appendix C: Guidelines for B-base Faculty Salary](#)

[top](#)

Roles and Responsibilities

In addition to obligations of individuals to review and certify effort, certain individuals have further responsibilities as indicated below.

Principal Investigator (PI)

An OMB clarification dated January 5, 2001, to OMB Circular A-21 indicates that most federally sourced sponsored programs require some level of PI or key personnel commitment. This commitment involves effort either in the form of a direct charge or voluntary committed cost sharing.

Programs for equipment and instrumentation and for doctoral dissertations may not require PI commitment because no direct effort may be involved.

The PI is responsible for—

- Identifying the individuals providing mandatory and/or voluntary committed cost share for awards when individuals were not identified at the time of proposal submission
- Ensuring required cost share obligations will be met
- Notifying the departmental processor, in a timely manner, of payroll actions when personnel actions, including changes of funding source, should be initiated
- For federal grants and cooperative agreements:
 - Notifying the Office of Sponsored Programs Administration (OSPA) when actual key personnel effort drops below 25% of the original proposed effort for the entire budget period or the PI is absent for three months or more
 - Completing required PI training on effort reporting and certification (see Training section below)

[top](#)

Requirements DRAFT 10/26/10

Department Chair or Director

The department chair or director —

- Designates and supervises an EASE Coordinator for the department to manage the certification of effort reporting process
- Resolves issues of compliance and outstanding effort reports, including certification for individuals within their department who are no longer employed by the university

Processor of Payroll Actions

Upon receiving notification from the PI, this departmental staff member initiates payroll actions, including changes in funding source, in a timely manner.

EASE Coordinator

Departmental EASE Coordinators are responsible for—

- Completing EASE training offered by Sponsored Programs Accounting (SPA)*
- Distributing EASE forms to faculty and staff
- Providing instructions and assistance to help employees accurately complete their forms, making certain that each EASE form is certified by the appropriate individual
- Collecting completed forms, reviewing for proper and accurate completion, and resolving discrepancies in paid effort and cost share percentages
- Sending completed forms to SPA by the due date (see Timeliness section below)

*The *Employee Activity Summary of Effort (EASE) Manual* (see Resources below) describes in detail the responsibilities of the EASE Coordinator in managing the effort reporting and certification process, as well as instructions for completing the EASE form.

[top](#)

Sponsored Programs Accounting (SPA)

SPA is a unit within the Controller's Department that coordinates the university-wide effort reporting process to ensure compliance and timeliness. SPA develops effort reporting procedures and assists with development of educational programs for all employees involved in the effort certification process. SPA captures and maintains pledged cost share and effort documentation for audit and reporting purposes. SPA will coordinate periodic independent evaluations of the procedures and effort reporting system.

Office of Sponsored Programs Administration (OSPA)

OSPA is a unit within the VPRED division that assists with proposal submission and post-award non-financial management of sponsored projects. Upon receiving notification from PIs, OSPA submits requests to federal sponsors for reductions in key personnel effort of 25% or more and PI absences of three months or more.

[top](#)

Requirements DRAFT 10/26/10

EASE Form

An integral component of ISU's effort reporting system is the EASE form on which salaried employees must report and certify 100% of all compensated effort, indicating the percentages devoted to sponsored projects and other activities during a specified period of time.

The EASE form is used to confirm cost share effort of salaried employees. Documentation of cost share is an integral part of effort reporting. Mandatory and voluntary committed cost share confirmation is required by federal regulation. Responsibility for appropriate recording of cost sharing is a part of adequate effort reporting.

EASE forms are to be completed every 6 or 12 months, depending on employee classification and funding source. The *Employee Activity Summary of Effort (EASE) Manual* (see Resources below) provides further information about frequency and completion of EASE forms.

The EASE form should only be certified when it reflects the employee's actual effort devoted to functional categories and/or sponsored projects.

[top](#)

EASE Form Certification and Submission

Faculty and non-faculty PIs must certify their own effort and sign their own form. For all other salaried employees, the employee or a supervisor with first-hand knowledge of the effort must certify effort and sign the form.

If an employee is no longer employed by the university, the chair/director must complete the employee's EASE form and provide an original signature (the EASE Coordinator may not sign for the chair/director).

The chair/director may choose to complete and certify the forms of employees who have had no direct paid effort or cost shared effort on sponsored projects.

Timeliness

Individuals certifying effort must return effort certifications promptly to their EASE Coordinator. EASE Coordinators must return effort certifications promptly to SPA. Refer to instructions distributed with the EASE forms.

[top](#)

Training on Effort Reporting and Certification

PIs with federal awards are required to complete periodic effort reporting and certification training. In addition training is available and suggested for EASE Coordinators.

The goals of this training are to—

- Explain the key principles of effort on sponsored projects, including commitment of effort, cost sharing, and cost transfers
- Communicate the requirements that apply in proposing, managing, and certifying effort on sponsored projects, and the critical importance of compliance
- Provide instructions on how to use the EASE form to certify effort

Requirements DRAFT 10/26/10

[top](#)

Consequences

Audits may be performed at any time to determine if the effort certifications are timely, accurate, and complete. When a failure to comply is identified, the sponsor may require the university to return awarded funds or may impose sanctions.

Failure to comply with the Effort Reporting and Certification Policy could result in sanctions or disciplinary action for an employee.

[top](#)

Resources

- [Appointment Policies, Faculty Handbook 3.1](#)
- [Controller's Department](#)
- [Cost Share for Sponsored Programs Policy](#)
- [Effort Reporting and Certification Policy](#)
- [Employee Activity Summary of Effort \(EASE\) Manual \[PDF\]](#)
- [Office of Executive Vice President and Provost](#)
- [Office of Sponsored Programs Administration \(OSPA\)](#)
- [OMB Circular A-21 \(2 CFR Part 220\) Cost Principles for Educational Institutions](#)
- [Sponsored Programs Accounting \(SPA\)](#)
- [Sponsored Programs Authority Policy](#)

[top](#)

Effort Reporting Requirements

Appendix A: Definitions

[top](#)

Base Salary: The total annual guaranteed compensation the employee receives from ISU, excluding the Faculty Incentive Salary Increment Program (FISIP) increment, is considered the base salary. Per the Effort Reporting and Certification policy, the base salary shall be used to compute salaries charged to sponsored programs unless sponsored policies further limit salary charges.

B-base appointments: Faculty on B-base are appointed for the nine-month academic year. B-base faculty members may be appointed for specific assignments in the summer, if warranted by the needs of the department.

Cost sharing: The terms “cost sharing,” “matching,” and “in-kind” refer to that portion of the total project costs not borne by the sponsor. Cost sharing for salaried personnel is normally documented in the effort reporting system.

Committed cost sharing refers to mandatory or voluntary committed cost sharing that is pledged in the proposal budget or budget justification (i.e., a binding commitment), and is required to be documented by the institution for federal awards or stated in award documents.

- **Mandatory cost sharing** is required by the sponsor as a condition of an award.
- **Voluntary committed cost sharing** represents effort that was not required by the sponsor but was pledged by the university in the proposal. When this type of cost sharing is offered and the sponsored project is awarded, the cost sharing becomes a requirement of the award.
- **Voluntary uncommitted cost sharing** represents cost sharing funds not pledged in the proposal and subsequently not stated on award documents. This type of cost sharing is above that agreed to as part of the award and does not need to be certified for a specific award.

Cost transfer is an after-the-fact reallocation of costs, either salary or non-salary costs, to a sponsored project. For federal sourced projects, a cost transfer to the project must be initiated within 90 calendar days from the original posted transaction date or from the execution of the initial project award document. See [Appendix B: Cost Transfers](#).

Effort is defined as the proportion of time spent on a compensated activity and expressed as a percentage of the total activity for which an individual is compensated by the base salary. Total effort for an employee must equal 100%. For example:

- If an individual who is full-time and being compensated for a 100% appointment works 60 hours in a week, then 30 hours would represent 50% of his/her effort. If the same individual works 40 hours in a week, then 20 hours represents 50% of his/her effort.
- If an individual who is part-time and being compensated for a 50% appointment works 30 hours in a week, 30 hours would represent 100% of his/her effort. If the same individual works 20 hours in a week, then 20 hours represents 100% of his/her effort.
- If a graduate student is employed for a total of 10 hours per week, then 5 hours represents 50% of his/her effort.

Federal Sourced Projects are projects funded directly by federal agencies or indirectly by other sponsors using federally awarded funds (i.e., flow-through or pass-through funding).

Sponsored Project/Program is an externally funded activity that is governed by specific terms and conditions. Sponsored projects must be separately budgeted and accounted for subject to terms of the sponsor. Sponsored projects may include grants, contracts, and cooperative agreements for research, instruction, outreach, and other public service activities.

Effort Reporting Requirements

Appendix B: Cost Transfers

[top](#)

Salary cost transfer rules and requirements

- All cost transfers must occur in a timely manner per institutional requirements as noted below.
- Employee effort on a particular sponsored project must be no more than 5% below the paid effort for the effort reporting period. If more than 5% below the paid effort, the administering department must remove the excess salary and fringe benefit charges from the project (i.e., cost transfer).
- Each cost transfer must have an adequate justification indicating why it is necessary. To indicate “to correct an error” or “to transfer to correct project” are insufficient reasons.
- Cost transfers to federal sourced sponsored projects must be initiated within 90 days following the original charge’s transaction date to a university account; thereafter, cost transfers to federal sourced sponsored projects will not be permitted except in extenuating circumstances. If an award for a sponsored project is received after the start date, cost transfers to federal sourced projects must be initiated within 90 days of the account being established or execution of the initial award document.
- Cost transfers which remove expenditures from sponsored projects are not subject to the 90 day time limit, and must be processed at any time that it is determined that an expenditure charged to a sponsored project is not appropriate to that project.
- Before reducing their actual effort on a federally funded project by more than 25% of the proposed effort, PIs and key personnel must contact the Office of Sponsored Programs Administration (OSPA) to determine whether prior sponsor approval is required.

Cost transfer examples

The following list of examples is not all-inclusive, but illustrates circumstances in which a cost transfer may be allowable to:

- Reallocate salary to reflect actual effort
- Correct salary distribution estimates
- Correct salary distribution after account established for new project
- Move pre-award costs to the appropriate account, in accordance with OMB Circular A-110 (2 CFR Part 215)
- Correctly allocate costs benefiting more than one project
- Correct clerical and bookkeeping errors resulting from a transposition of an account number
- Remove unallowable charges
- Remove charges for periods after the termination date

See the Sponsored Programs Accounting (SPA) website for [cost transfer rules and requirements](#).

[top](#)

Effort Reporting Requirements

Appendix C: Guidelines for B-base Faculty Salary

[top](#)

Iowa State University

Guidelines for B-base Faculty Salary Charged to All Federal Sourced Sponsored Projects and NSF Salary Reimbursement Policy

Office of the Executive Vice President and Provost
Office of the Vice President for Research and Economic Development
Office of Sponsored Programs Administration
Controller's Department - Sponsored Programs Accounting

October 2010

B-base Faculty Appointments

B-base appointments to the faculty are made for the nine-month academic year. B-base faculty members may or may not be appointed during summer, between the end of Spring Semester and the beginning of Fall Semester. B-base faculty members who teach in the Summer Session are paid in June and/or July from the general fund in accordance with college policy. In addition, many B-base faculty members perform duties for sponsored projects during the summer and may earn salary from sponsored funding and other sources during the summer period.

Salary Charged to Federal Sourced Sponsored Projects

Compensation charged to a sponsored project should be commensurate with the effort devoted to the project for all ISU salaried employees. Salary allocated to sponsored projects should be based on reasonable estimates of planned effort. Identifying activities that benefit sponsored projects is critical to the appropriate allocation of salary expenditures and ultimately the accurate certification of incurred effort.

Only salary for activities directly related to the project such as performing research, writing progress reports, and attending project-related conferences and research meetings may be charged to federal or federal flow-through accounts.

Salary for non-related project activities cannot be charged to federal sourced sponsored projects. The non-related project activities include preparing proposals, performing non-project-related research, performing administrative and committee work, attending faculty meetings, teaching and teaching preparation, consulting, attending non-project-related conferences and research meetings, and B-base faculty taking personal time from work. (See Guidelines and "Key Points for Consideration" below.)

Academic Year Buy-Outs

B-base faculty members may "buy-out" a portion of their academic year appointment to perform duties on sponsored projects during the academic year. This buy-out should occur when the sponsored project work is being performed, so that the salary charged to sponsored funding during the week, month or semester is appropriate and reflects actual effort. Any salary savings generated from academic year buy-outs are retained and controlled by the college.

Guidelines for B-base Summer Salary Charged to Federal Sourced Projects

The following guidelines are intended to assist individuals responsible for making and reviewing salary expense allocations associated with B-base faculty summer salary. As a result of several very high profile audits of research universities by federal agencies, Iowa State University has examined its practices related to the payment of B-base summer salary from sponsored projects. These guidelines should be implemented immediately to ensure compliance with federal regulations and protect the principal investigator (PI) from potential audit risk.

Key Points for Consideration

1. Payment of summer salary for B-base faculty must reflect the actual effort incurred during the time period (days, week or month) for which the summer salary is received. Effort devoted to federal sourced projects during the academic year may not be compensated for during the summer.
2. Only salary for activities directly related to the project can be charged to federal or federal flow-through accounts. See Salary Charged to Federal Sourced Sponsored Projects above.
3. Any change in the salary paid or the actual effort devoted to the sponsored project must be in compliance with the sponsoring agency terms and conditions related to rebudgeting and changes in effort.
4. B-base faculty members do not accrue vacation. Days taken off work during a summer appointment must be sick leave or leave without pay (LWOP).
5. Non-sponsored funds may be used to pay for summer salary that is not allowed on federal sourced projects. Colleges and units shall establish their own guidelines and each college, unit or department may have differing practices.
6. In accordance with federal policy, effort devoted to the project is used to support salary paid, and not time records. If a faculty member typically works on university activities more than 40 hours per week, then "all hours worked" constitutes 100 percent effort. A faculty member cannot use effort above 40 hours per week for tasks unrelated to the sponsored project if 100% of salary for the time period is charged to the sponsored project.

ISU's Implementation of NSF's Salary Reimbursement Policy

Salary Charges to National Science Foundation Awards

1. No more than two months salary from ALL NSF awards may be charged during a one year period (including flow-through funding from NSF).
2. ISU has defined the "one year period" to correspond with the state fiscal year: July 1st through June 30th.
3. If 100% of a B-base employee's salary is charged to an NSF project, then 100% of this employee's effort for the respective week, month or semester must be devoted to that same project, i.e., no teaching, no personal time from work, no administrative duties, no proposal writing, etc.
4. Effort devoted to the NSF projects during the academic year may not be compensated for during the summer.

An excerpt from the NSF GPG Summary of Significant Changes is printed here for your reference:

“Chapter II – Section C.2g(i), Salaries and Wages, has undergone a major revision of NSF’s salary reimbursement policy. In general, the Foundation will now limit salary compensation for senior project personnel to no more than two months of their regular salary in any one year. This limit includes salary compensation received **from all NSF-funded grants**. This change moves away from the concept of summer salary and allows for reimbursement of two months of salary per year whenever appropriate during the year.”

Examples:

- During three summer months, a B-base PI spent 66% of her compensated effort working on one federal project. This PI’s salary could be paid up to 66% from the federal project account in each of the three summer months. The remaining 34% should be paid from unrestricted sources, such as general funds or incentive funds.
- During two summer months, a B-base PI spent 80% of his compensated effort on NSF project activities and 20% of his compensated effort on writing grant proposals. This PI’s salary could be paid up to 80% from the NSF project account during the two summer months that he worked. The PI is not paid for the month he did not work.
- During the three summer months, a B-base PI spent 33% of his compensated effort on a federal project, 33% of his compensated effort on an industry project, and 33% of his compensated effort on administrative and committee work. The PI’s salary could be paid up to 33% from the federal project account in each of the three summer months.
- During one summer month, a B-base PI spent 100% of her compensated effort on a federal project for the first three weeks and was absent and did not work during the fourth week. The PI should be put on appointment for only the first three weeks of this summer month.

Contact Information

If questions, please contact [Sponsored Programs Accounting \(SPA\)](#) at 294-4569.

[top](#)