

**ADMINISTRATIVE PRACTICE LETTER**

**SUBJECT: EFFORT CERTIFICATION**

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**Purpose of Guidelines**

The University of Maine System receives significant funding for sponsored projects from Federal and State agencies, private and non-profit foundations, organizations, and industries. Proper effort certification verifies charges for salary and wages to Federally sponsored projects reasonably reflect actual work performed.

These guidelines explain administrative requirements and financial procedures for maintaining compliance with government and other regulations regarding effort certification.

**Policy**

The University of Maine System requires certification of effort for employees paid in total, or in part, from sponsored funds. Effort certification shall be managed and accounted for in accordance with standards set forth in the Office of Management and Budget (OMB) [Circular A-21](#), "Cost Principles for Educational Institutions," Section J. 10. Compensation for personal services.

For faculty, professional employees, classified employees, and graduate students: The employee signs a Time and Effort Report certifying the distribution of activity represents a reasonable estimate of the work performed during the period stated on the report. If the employee is unavailable to certify the effort, the applicable principal investigator or other [responsible official](#), with first-hand knowledge of the work performed and [suitable means of verification](#), may provide such certification. When a principal investigator or other responsible official verifies effort on behalf of an employee, they shall document on the form what prevented the employee from certifying and what action was taken to verify the work was performed.

If the distribution listed is not a reasonable estimate, the employee, principal investigator, or other responsible official changes the percentages so they are reasonable in relation to the work performed.

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When an employee, principal investigator, or other responsible official revises the distribution of activity on a Time and Effort Report, those changes are subsequently reflected in the payroll system through the processing of a retroactive distribution adjustment.

Time and Effort Reports are processed three times each year covering periods January 1 through May 31 (spring), June 1 through August 31 (summer), and September 1 through December 31 (fall).

For undergraduate student employees: Rather than submit Time and Effort Reports, undergraduate student employees certify time worked each day by using time clocks or time cards that provide after-the-fact payroll documentation for payroll and payroll charges.

For Muskie School of Public Service employees at the University of Southern Maine: Non-faculty employees certify their effort daily, bi-weekly or monthly when they certify after-the-fact documentation for payroll and payroll charges. Muskie faculty, who do not participate in this process, complete Time and Effort Reports.

**Who is Responsible**

Responsibility for following effort certification guidelines is a coordinated effort among the System Office, campus Sponsored Programs or other designated personnel, principal investigators or project managers, their department chairs or other direct supervisors, and unit-level fiscal personnel with general guidance and oversight of the colleges, schools and divisions.

Applicable University Sponsored Programs Office or other designated personnel are responsible for providing general guidance and technical assistance.

The University of Maine System administration is responsible for providing guidance through administrative practice letters, business process documents, and coordinating compliance monitoring through periodic internal and external audits.

Failure to follow these guidelines may have serious consequences, including disallowed costs, which would require reimbursement to the sponsor from unrestricted departmental funds; increased Federal oversight, monitoring, and audit; and loss of future Federal funding.

Individuals who deliberately falsify, or knowingly allow falsified certification reports to be processed, may be subject to disciplinary action including, but not limited to, suspension from participation in sponsored agreements and suspension or termination from employment. Government actions may include debarment from government funding and civil and/or criminal sanctions under the False Claims Act.

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**Definitions and Terms**

**After-the-fact Activity Records:** An acceptable method for payroll distribution wherein the distribution of salaries and wages is supported by activity reports that meet specific requirements described in OMB Circular A-21, Section J. 10.c.(2) (a through f).

**Responsible Official:** A person such as the dean, principal investigator, or director who has first-hand knowledge of an employee's activities and/or is able to certify the employee's effort using suitable means of verification that the work was performed. It is not permissible for a departmental support person, such as a secretary, administrative assistant, program assistant, office manager, or financial manager to certify an employee's effort.

**Suitable Means of Verification:** Acceptable ways for a principal investigator or other responsible official to validate his or her claim that an employee performed work for the projects listed and during periods indicated on the employee's Time and Effort Report. For example, the principal investigator or other responsible official may confirm and document effort with supervisors, or others having first-hand knowledge of the employee's activities. Examples of documentation include copies of calendar appointments, dated email exchanges, signed and dated reports, dated notes, dated phone messages, or other documentation that indicates the employee worked during the period covered by the Time and Effort Report and the percentages on the report are a reasonable estimate of the employee's effort.

**Time and Effort Report:** The form reviewed by a University of Maine System employee, a principal investigator, or other responsible official on which the reviewer confirms the distribution of activity listed on the form represents a reasonable estimate of the work performed by the employee listed on the form, during the period stated on the form.

**Responsibilities and Procedures**

Successful effort certification requires timely coordination among various System and campus employees.

**University of Maine System Administration:**

- Provides guidance through administrative practice letters
- Identifies data in payroll records to be displayed on certification forms.
- Generates and distributes Time and Effort Reports to Sponsored Programs Offices, or other responsible department, at the campuses.
- Coordinates compliance monitoring through periodic internal and external audits.

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**Sponsored Programs Office, or other responsible department:**

- Provides general coordination and guidance, in conjunction with the System Accounting Department, to employees involved in the effort certification process.
- Spot-checks Time and Effort Reports and notifies System Administration if there appears to be an issue.
- Distributes Time and Effort Reports to individual employees, departments, or organizational units for review and signature.
- Collects and accounts for Time and Effort Reports.
- Maintains original Time and Effort Reports.

**Employee, Principal Investigator, or Other Responsible Official:**

- Reviews Time and Effort Reports to verify accuracy of the data extracted from the payroll distribution system.
- Confirms effort recorded on the Time and Effort Report is a reasonable estimate of the work performed.
- If the effort allocation is a reasonable estimate, signs the Time and Effort Report confirming the distribution of activity.
- If the effort allocation is not a reasonable estimate of the work performed:
  - revises the effort percentage on the form, and, signs the revised form
  - reports the revision to the department that administered the employee's primary appointment so the department processes a retroactive distribution adjustment to make the required adjustment in the payroll system.
- Returns the signed/certified Time and Effort Report in a timely manner to the department from which it was received. Departments that distributed forms are responsible for returning forms to the Sponsored Programs Office, or other responsible department, by the appropriate due date.

**Frequently Asked Questions**

1. Which employees are required to certify effort?

*All employees paid in whole, or in part, through grants and contracts projects are required to certify effort. Faculty, professional employees, classified employees, and graduate students do so on the Time and Effort Reports produced three times each year. Undergraduate students and Muskie School of Public Service non-faculty employees do so daily, bi-weekly, or monthly when they report their time.*

2. Are subrecipients required to certify effort?

*No.*

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3. What if an employee is not available to certify the Time and Effort Report?

*If an employee cannot sign the form, it may be signed by the applicable principal investigator or other responsible official with first-hand knowledge of the work performed and [suitable means of verification](#). It is not permissible for a departmental support person, such as a secretary, administrative assistant, program assistant, or office manager, to certify an employee's effort.*

4. How do I account for my effort if I am employed less than full time (1 FTE)?

*An employee's effort is always reflected as 100%. If an individual has a .5 FTE appointment of which .3 is dedicated to Grant A and .2 is dedicated to Grant B, 100% of the person's effort as a half-time employee is dedicated to Grants A and B with 60% effort on Grant A and 40% effort on Grant B.*

5. What if I only work 10 hours a week?

*Your 10-hour work-week constitutes 100% of your effort. Assign percentages to the amount of effort dedicated to each activity.*

6. What if I work more than 40 hours a week?

*Your effort is 100% regardless of the hours you work. For example, if you work equally on two grants and put in 60 hours a week, you assign 50% effort to Grant A and 50% effort to Grant B.*

7. Does effort certification include effort funded by direct cost sharing?

*Yes. Effort funded by direct cost sharing is reflected in funds 04 and/or 24 on the Time and Effort Report.*

8. If I am working on a "pre-award spending" project, do I have to certify effort?

*Yes, effort must be certified for the reporting period during which the work was performed.*

- Payroll charged to a "pre-award spending" project will be reflected on the Time and Effort Report. Revise the percents if they are not a reasonable estimate of your effort. In this case, you treat pre-award spending projects no differently from other projects.*

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- *If you expended effort on a pre-award project, but payroll for that effort is charged to an Education and General department or to another project, add a line on the report for the pre-award spending project and adjust the percentages to reflect your effort. When you submit your revised report, a retroactive distribution adjustment will move the costs accordingly.*
- *In the event pre-award project is subsequently NOT approved by the sponsor, at the time of non-approval, salary costs will be removed from the project and placed into the Department's Education and General fund chartfield string.*

9. Will a new Time and Effort Report be printed that shows the corrections made by an employee?

*No, a Time and Effort Report that reflects the changes a certifier notes on the original form is not produced. The original form, with the changes noted by the certifier, is the form that is to be retained on file by the Sponsored Programs Office for possible subsequent review by auditors.*

10. What are some effort reporting "red flag" issues for auditors?

*They include manually adjusted certified reports that show effort that is not a reasonable estimate of the equivalent salary and wages charged to the Federally funded project, multiple certification revisions resulting from cost transfers, and late or missing certifications.*

**Related Documents**

[APL VIII-C Direct Charging of Expenses](#)

[APL VIII-K Cost Transfers](#)

**Approved by the Vice Chancellor for Finance and Administration and  
Treasurer of the University of Maine System.**

Signature on file in the Office of Finance and Administration

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**Vice Chancellor, Finance and Administration and Treasurer**