

# Western Michigan University

## Time and Effort Certification Policies and Procedures

### Purpose

The purpose of this policy is to establish procedures to be followed for the completion and submission of time and effort reports for Western Michigan University.

### Guidelines

OMB Circular A-21 describes the cost accounting standards that are followed by all universities receiving federal funding. They include the requirement for monthly distribution of all salaries to appropriate accounts in proportion to the effort expended toward activities associated with those costs. Under OMB A-21, effort reporting provides the necessary documentation to certify and substantiate direct labor charges to all sponsored activities. If deviations from this standard are found during an audit, **disallowances could result which would be charged to the appointing department.**

In application of this requirement, it is recognized that a precise distribution of time is not feasible, but a reasonable distribution is necessary. To confirm that the distribution of effort represents a reasonable estimate of the work performed by faculty and other university personnel, a 5 % variance is allowed between the actual time spent and what is reported.

### Policy

All faculty and staff (professorial, exempt and non-exempt staff, graduate students) at Western Michigan University, whose salary charges in whole or in part, meet the criteria below must complete and submit effort reports, without exception. This includes:

- Individuals paid directly from any sponsored project.
- Individuals paid directly from any other WMU funds and who provide some effort on sponsored projects for which the effort is re-distributed to a sponsored project.

The effort certifications are distributed on a bi-annual basis. The report period is as follows:

- July 1 to December 31 (January distribution)
- January 1 to June 30 (July distribution)

### Procedure

- Effort reports are distributed by the Grants and Contracts Office for each reporting period.
- The effort report details by employee ID the university accounts (Department ID's) for which each employee has been paid on a sponsored project and the percent of effort for the reporting period for each account. This report also includes any re-distribution of effort for the reporting period.
- The effort report must be certified by an individual who has first-hand knowledge of the employee's total effort. The following criteria establish the certification requirements:
  - The individual employee will certify the effort report, when at all possible.

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- If the individual is not available to certify the effort report, a responsible official having first hand knowledge of the employee's total effort will certify the report. This would include departmental chairpersons, principal investigators, or deans.
- The signatures of clerical or secretarial staff are not acceptable on any effort reports, except when certifying their own effort.
- "Per" signatures or rubber stamp signatures are not acceptable
- If the effort report is not accurate, notify the Grants and Contracts Office.
- The certified effort report must be returned to the Grants and Contracts Office within 30 days of receipt.

### Effort Reporting

The Planned Confirmation method of effort reporting requires that a form be completed prior to beginning actual work on a sponsored project. There are two different forms used to accomplish this:

- A Staff Transaction form directly appointing an individual on a sponsored project or contract. Since this is paid directly through the payroll system, the percentage of effort reported is automatically calculated and recorded on the effort report.
- A Sponsored Project Planned Effort Form is used for University employees who are receiving pay from other university funds and their effort is being re-distributed to a sponsored project on a monthly basis. This method requires a journal correction (JES) be prepared to charge the sponsored project for the percentage of effort spent on the project. The Grants and Contracts Office will prepare the JES based on the planned effort. If the percentage of effort changes from the planned effort, then the Principal Investigator must notify the Grants and Contracts Office.

Occasionally individuals may be appointed on a departmental account and a portion of their effort is re-distributed to a sponsored project. In these circumstances, the department prepares a JES. From the JES the re-distributed effort is then incorporated in the bi-annual Time and Effort certification report.

Per OMB A-21, certification of effort must take place after-the-fact; meaning after the actual work has been completed. The time and effort reports reflect after the fact reporting of effort.

### Format for JES Descriptions

In order for the percentage of effort to be properly calculated the JES must be completed as follows:

- The format in the JES description line should be:
  - Position 1-6: Employee identification number, left justified, **space-filled** if the employee id is less than six digits. (It ranges from four to six digits long in our current database).
  - Position 7-12: Six-digit date code. (Consisting of the last day of the relevant pay period in a **YYMMDD** format).
  - Position 13-30: Employee's last name (as space permits), comma, and then first initial of employee's first name.

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Example 1:

- ◆ Tim Jones
- ◆ Employee number 123456
- ◆ Pay period end date 11/21/1999

This should be entered as follows:

➤123456991121Jones,T

Example 2:

- ◆ Kathy Smith
- ◆ Employee number 12345
- ◆ Pay period end date 12/15/1999

This should be entered as follows:

➤12345 991215Smith,K

Example 3:

- ◆ Mark Johnson
- ◆ Employee number 1234
- ◆ Pay period end date 10/15/1999

This should be entered as follows:

➤1234 991015Johnson,M

### Sources of Federal Guidelines

- **OMB Circular A-21 “Cost Principles for Educational Institutions”**  
<http://www.whitehouse.gov/omb/circulars/a021/a021.html>