Carnegie Mellon University
Effort Reporting Guidelines

General Background:

Carnegie Mellon has an effort reporting policy and system that is audited annually as part of the single audit performed by an external auditing firm.

Per 2 CFR 200.403, Compensation – Personnel Services, time and effort reporting is required by federal regulations to confirm that the percentages allocated to each activity represent a reasonable estimate of the work performed. The federal government requires an effort report when an individual is compensated by or has agreed to contribute time to a federally sponsored project. All faculty who serve as investigators on sponsored agreements are personally responsible to certify the amount of effort that they and their employees spent on sponsored research activities.

The Sponsored Projects Accounting office, in conjunction with the SPA PARTNER group, has formalized the current effort reporting process and has implemented a documentation process that includes minimum requirements to comply with the federal regulations and satisfy future audit inquiries. This process was developed to afford departmental flexibility while still complying with federally mandated requirements.

Current Process/Policy:

- Labor schedules can be entered or changed by the department in the Oracle Labor distribution module at any time necessary. For example, when an award is received, the labor distributions of the employees affected can be adjusted. Also, monthly reports are generated and distributed systematically from Oracle providing PI's with the labor distributions for the current month's allocations for their awards and the employees/students under their supervision
- All employees charged to a sponsored award within a fiscal year are required to certify their effort on a semester basis. He/she is required to certify their effort each semester until the end of the fiscal year in which they stopped expending effort on sponsored awards.
- All efforts must be certified within 100 days of the end of the reporting period.
- Departmental representatives are notified of the employees in their areas that meet the above requirement via system-generated emails when the 100 day deadline is nearing via Planned Effort emails. Actual effort allocations must be obtained through the Financials DataWarehouse queries (please see "Available Reports and Queries" section of this document).

Modifications to Existing Requirements:

- A person with first-hand knowledge of the work performed on an award should certify the efforts of the employees charged to that award – OR must provide sufficient documentation to his/her designee.
- Sufficient documentation meets the following criteria:
  - Documentation ***MUST*** be obtained no less frequently than on a semester basis. However, monthly reviews allow for timely corrections and accurate certifications.
  - Documentation ***must*** include one of the following:

        - Signature of PI → The signature should be included on a document that details the effort allocation, totaling to 100%, by person.
        - Email approval → An email from the PI's email address stating approval of an allocation totaling to 100% that is explicitly listed in the email text (attachments are not acceptable).
        - Verbal approval → Verbal approval is acceptable if followed up by an email addressed to the PI's email address. The text of the email must include the date and time of the conversation/meeting as well as the agenda for the meeting, i.e. efforts/allocation reviewed, period reviewed, list of specific reports that were reviewed during the meeting, and any exceptions to the current effort allocation. PI response to this email is not necessary.
- Each school must have a process in place for reviewing the payroll suspense account to ensure that salaries are moved to an appropriate charging string in a timely manner. Review of the suspense account ***MUST*** occur no less frequently than once a semester. However, monthly reviews are recommended. The review that occurs must be documented and the documentation should include:
    - Date of review
    - Reviewer name and signature
    - Corrections to be made or justifications for why corrections that are not being made
- Each School must document their effort certification and suspense account review practices. To allow for and to demonstrate compliance with federal regulations, these practices must include the following:
    - Written process documents must be submitted to SPA initially by July 1, 2012 and then annually by March 1st of each year.
    - Each process is to be reviewed and approved by the associated ALG member, who will then submit to SPA.
    - Each submission should be accompanied by a cover sheet – Attachment A.

<u>Tips for Best Practices:</u>

- Review effort/salary allocations each month with the PI and make any needed corrections ASAP.
- Document any errors in certified effort. Include date, correct allocation, reason not corrected prior to certification, and copies of correcting paperwork.

<u>Available Reports/Queries:</u>

Queries available in the Financials Data Warehouse related to effort reporting are found at:
College & Department →Labor Distribution → Effort Report Monitoring. The names of the individual queries are:

- US Effort Report Monitoring w Charging Instructions: This query can be used to monitor who has/has not been certified for a specific effort period and can be run by Home Org and/or Certification status (among other parameters). Results display employee information, certification status, the person responsible for certifying the workflow notification in Oracle, and charging instructions. This report is most useful after effort certifications have been generated within Oracle Financials, and allows users to track who has or hasn't been certified. Within Oracle, the effort certification notifications are listed one-by-one for each employee, while this report allows users to see a more comprehensive list of who has or hasn't been certified along with their associated charging instructions (charging instructions are not included on the workflow notifications). Note: Data for this report is updated nightly and at noon time each day for more ‘real time’ data.

- **LD Effort History by Employee & Pay Period (macro):** This query can be used to run and view salary charges to assess those eligible for effort generation for a specific effort period with a layout similar to the existing ‘US LD History by Employee’ query. This query features a “People Group” column (‘none’ result = no efforts generated, ‘semester’ result = efforts generated), charging instructions columns (Task Org Name, etc.), and the periods are payroll periods to better align with effort periods. *Note: This query does not show the performance supervisor due to inconsistencies with that information in the data source (HRIS), which could cause incorrect query results. This information can instead be obtained using the ‘Employee Performance Supervisor Lookup’ query.* This report is most beneficial for users who want to proactively monitor employees who will be eligible for effort certification once they are generated within Oracle.
  This query is designed to work with a new macro called **‘Labor Distribution Effort Macro.xlsm’** which will add ‘percent of effort’ among other items to be used with effort certification activities.

- **Employee Performance Supervisor Lookup:** This query can be used to obtain results of employee/performance supervisor relationships. The results of this query can then be added to the results of the ‘LD Effort History by Employee & Pay Period (macro) query by users, if so desired. This report was created to be used in conjunction with the ‘LD Effort History by Employee & Pay Period (macro)’ query. The ‘LD Effort History by Employee & Pay Period (macro)’ currently contains ‘Oracle Supervisor’ column to allow users to pivot by this supervisor and send the results to them (if department processes include this). Not all departments use Performance Supervisor. This query was created for those departments that do. The process is that they would just use Excels v-lookup functionality to add information into the ‘LD Effort History by Employee & Pay Period (macro)’ query results.

*** For help with these queries, please contact the Oracle Help Desk at 8-4666.*