



## Sponsored Program Effort Certification Policy

Responsible Office: Post Award Financial Operations

### 1. Purpose

Boston University receives substantial funding from the federal government and other sources in the support of sponsored programs. Office of Management and Budget (OMB) <https://www.federalregister.gov/articles/2013/12/26/2013-30465/uniform-administrative-requirements-cost-principles-and-audit-requirements-for-federal-awards> requires recipients of federal funding to maintain a system that documents and supports individual distribution of activities and associated payroll charges to sponsored agreements. Boston University applies these standards to all sponsors through the Personnel Activity Report (PAR) system.

The PAR system assures external sponsors that funds are properly expended for the salaries and wages of those individuals working on the projects they sponsor. It provides the principal means for certifying that the salaries and wages charged to sponsored projects are consistent, fair, and timely with the effort contributed. Finally, sponsors and auditors must also be able to verify that funds allocated for cost sharing have been provided. The PAR system is the mechanism the University uses to document cost shared salary expenses.

All employees involved in certifying effort must understand that inaccurate, incomplete, or untimely effort reporting could result in financial penalties, funding disallowances, and harm to the reputation of the individual and the University.

### 2. Covered Parties

This policy applies to all individuals with salaries and wages supported by sponsored awards as well as to individuals certifying the effort of other individuals.

### 3. Definitions

#### **Effort**

Effort is the time spent on any University activity by an individual, expressed as a percentage of the individual's Total University Effort.

#### **Total University Effort**

Total University Effort is the sum of all professional activity or effort for which an individual is compensated by the University. Total University Effort is not based on a "standard" work week. If an individual who is being compensated for a 100% appointment works 50 hours in a week, then 25 hours would represent 50% of his or her Total University Effort. If an individual who is being compensated for a 50% appointment works 30 hours in a week, 30 hours would represent 100% of his or her Total University Effort.

Total University Effort generally includes externally sponsored research activity, department research, teaching, clinical service, administrative duties, and proposal writing. Activities outside of Total University Effort include personal consulting and other outside compensated professional work as described in the [External Compensated Activity Policy](#), volunteer individual community or public service, and Veterans Administration Hospital compensated activities documented in a Memorandum of Understanding (MOU).

### **Incidental Work**

Per OMB Uniform Guidance **§200.430 Compensation—personal services (ii) Incidental activities:**

“Incidental activities for which supplemental compensation is allowable under written institutional policy (at a rate not to exceed institutional base salary) need not be included in the records” and are not considered to be a *regular* part of an individual’s assignment.

Incidental payment examples include: salary supplements for a one-time activity with a duration of 4.5 months or less; or honoraria, prizes, bonuses, and certain benefits that must be reported as “salary” for income tax purposes, but do not represent payment for work, e.g. tuition remission for graduate courses above an annual threshold, mortgage relief, and salary in lieu of immediate vesting in the retirement plan. Incidental work at BU is generally not related to sponsored programs and is designated by specific [wage types](#). While the University does provide compensation for incidental work, the individual is not required to certify this effort on a PAR.

### **Effort Certification**

Effort Certification is the certified affirmation by the individual completing each PAR that the percentages of effort reported on the form are accurate and reasonably reflect their professional activity during the reporting period.

### **Cost Sharing**

Cost Sharing is the portion of project or program cost that is not reimbursed by the sponsor.

### **Mandatory Cost Sharing**

Mandatory Cost Sharing is Cost Sharing that is required by the sponsor as a condition of an award.

### **Voluntary Committed Cost Sharing**

Voluntary Committed Cost Sharing is a cost associated with a sponsored project, identified in the proposal, but was not required or funded by the sponsor. The most common form of Voluntary Committed Cost Sharing is for the Principal Investigator (PI) or other key personnel to propose or commit to a level of effort in excess of the commensurate salary support requested.

In addition, certain sponsors, most notably NIH, impose a limit or “cap” on the annual rate of salary reimbursement for a given amount of effort. The difference between the reimbursed salary (“capped amount”) and the un-reimbursed salary is considered voluntary committed cost sharing and must be recorded on the Cost Sharing section on the PAR. Please refer to the cap worksheet located under forms at: <http://www.bu.edu/cfo/post-award-financial-operations/resources/university-policies/> to assist in calculating cap cost sharing.

The PI and other key personnel must still devote the amount of effort agreed upon irrespective of salary support requested and / or a sponsor imposed salary cap.

### **Voluntary Uncommitted Cost Sharing**

Voluntary Uncommitted Cost Sharing is a cost and / or an activity undertaken during the life of an award that is neither committed in the proposal nor required as a condition of the award. Voluntary Uncommitted Cost Sharing does not need to be documented or accounted for.

## **4. University Policy**

The University is committed to ensuring the accuracy of the effort certified through the Personnel Activity Report system (or through weekly timesheets for certain student employees). Faculty and staff whose salary and wages are supported by sponsored projects must certify the accuracy of this time through periodic certification of individual PARs. The percentage of an individual's salary charged to a sponsored agreement cannot exceed the percentage of total effort expended on that project during the certification period.

### **A. Effort Certification Periods**

PARs are generated by Post Award Financial Operations on a regular basis for all employees whose compensation is supported by sponsored awards according to the following schedule:

- *Faculty, Managerial, Professional, Non-Professional, Clerical, Technical and Student Employees:* Semi-annually for the periods from January to June and July to December

PARs are not generated for students who are paid on a weekly basis using timesheets. Rather, the weekly timesheet serves as their effort certification. Their direct supervisor is designated as a responsible official using suitable means of verification that the hours worked reasonably reflect the actual effort devoted to the sponsored agreement(s).

### **B. Effort Commitments**

Sponsors generally consider estimates of effort in project proposals to be commitments if such proposals are subsequently awarded. Principal Investigators (PIs) and other key personnel for whom such commitments have been made are responsible for ensuring that the commitments are met. This includes commitments of effort for which salary support has not been requested (Voluntary Committed Cost Sharing) or is required by the sponsor (Mandatory Cost Sharing).

For Federal awards, before PIs reduce their effort by more than 25% during the current budget period or plan to be absent for any continuous period of 3 months or more, they must contact the Office of Sponsored Programs to process a request for prior sponsor approval. For NIH awards, the prior approval requirement applies only to key personnel specifically named in the Notice of Award. For non-federal

awards, prior approval requirements vary by sponsor. PIs should check the specific terms of award and contact OSP with any questions.

### **C. Maximum and Minimum Effort**

Most faculty are unable to devote 100% of their time to sponsored activities due to other responsibilities that include teaching, administrative work, patient care, competitive proposal writing, and service. Accordingly, unless the circumstances of a particular faculty member demonstrably warrant otherwise, the total effort and salary of a faculty member should normally not be 100% supported by sponsored projects in a given effort period. Such circumstances might include being on sabbatical, leave of absence, or having relief from teaching and other responsibilities. Salary support for time spent on non-sponsored activities must not be charged to sponsored funding sources.

PIs cannot certify 0% effort on a sponsored project during the entire grant funding period. They must certify at least 1% effort on an effort statement during any one of the effort periods to accurately reflect their leadership of the project, unless specifically exempted by the sponsor. Such exemptions may include equipment and instrumentation grants, dissertation and training grants and limited purpose grants such as travel grants and conference support.

### **D. Certification Eligibility**

All faculty and non-faculty PIs must certify their own PARs. Non-faculty personnel, such as professional staff and lab technicians may certify their own PARs or the PI or other responsible official(s) may certify the effort using suitable means of verification that the work was performed. Student effort should be certified by the student's supervisor or the PI.

Generally, a department research administrator will not have after-the-fact knowledge of an individual's total work effort and should not certify the effort of research staff unless they have such written after-the-fact confirmation from an individual having direct knowledge and possessing suitable means of verification.

### **E. PAR Process**

PARs contain pre-printed information indicating the percentages of the individual's University salary that were allocated to sponsored project sources and other non-sponsored University activities in the "% of Salary Charged" column. These salary allocation percentages are not effort percentages; they are provided solely for informational purposes; eligibility is based on SAP Wage Types. For example, Wage Type 1020 "Regular Salary-Faculty" is included on the PAR, while Wage Type 2021 "Bonus" is excluded. A full list of SAP Wage Types can be found on-line under Effort Certification and Compensation at: <http://www.bu.edu/cfo/post-award-financial-operations/resources/university-policies/>

Note that PAR forms are generated for all individuals paid from a sponsored program internal order number. An individual not paid from a sponsored program during the PAR period but with effort in the form of mandatory and / or voluntary committed cost sharing should contact Post Award Financial Operations at [effort@bu.edu](mailto:effort@bu.edu) to request a PAR to certify.

Certifiers should review the salary allocation percentages on the PAR and determine whether those percentages reasonably correspond to the percentages of the individual's actual effort on each project or activity for the time period specified on the PAR. Factors such as the availability of funds should not influence the certification of a PAR.

The person completing the form should enter the actual effort, using whole numbers only, in the "% of Effort Expended" column based on all activities for which compensation is paid by Boston University. To ensure appropriate documentation of Mandatory Cost Sharing and Voluntary Committed Cost Sharing, effort spent working on a sponsored agreement for which salary was not charged should be entered in the "Cost Sharing Activity" section of the form. The total work effort expended cannot be more or less than 100%. The certifier should complete and sign the form in the "Certification of effort expended" section.

If the salary allocation percentages on the form are greater than the percentages of the individual's actual effort on the listed projects or activities (or other projects or activities that may not be listed), a Salary Adjustment must be submitted via the Salary Cost Distribution Screen within SAP to support the modified percentages and attached to the PAR. For additional information regarding salary reallocations, please refer to the University's Salary Adjustment Policy found under policies at: <http://www.bu.edu/cfo/post-award-financial-operations/resources/university-policies/>.

#### **F. Certification Timing**

Faculty, PIs and other individuals are responsible for completing Personnel Activity Reports within 60 calendar days from the time they are generated from the PAR system. The Effort Reporting Department is responsible for ensuring the receipt of all Personnel Activity Reports within 90 days.

In the event of extraordinary circumstances where a faculty member is unavailable to certify his/her effort report, the Associate Vice President for Financial Affairs should be notified to determine the appropriate steps to take to achieve meaningful certification.

#### **G. Faculty with 9-Month Appointments**

As described in the policy on [Summer Effort and Summer Salary for Faculty with 9-Month Academic Appointments](#), faculty compensated for 9-month academic appointments are permitted to expend up to an additional three months of summer effort and earn up to three months of additional salary for that effort, subject to sponsor policies and the approval of the Department Chair and School / College Dean.

If a faculty member has administrative or other non-research responsibilities (including vacations) during the summer period, they may be precluded from devoting 100% effort to sponsored projects and thus from requesting 3 months of salary from those sponsored projects. Contact the Office of the Vice President for Research to review and confirm summer salary eligibility.

#### **H. Salary Reallocation & Recertification**

Once certification of effort has been completed, only in rare circumstances will subsequent salary adjustments be permitted. If it is necessary to adjust the salary charges for a previously certified effort period, the PAR must be revised to include the adjustment and attached to the appropriate Personnel Action screen in SAP. The Salary Cost Distribution Screen within SAP has been modified to include the explanation boxes previously detailed on the Salary Adjustment Request Form (SARF). The SARF is no longer required when submitting a change via the Salary Cost Distribution Screen. As always, any salary changes must include a detailed explanation of the need for the adjustment and subsequent recertification. The PAR must list the revised effort percentages with each change initialed by the employee. All documentation must be approved by the Assistant Vice President for Post Award Financial Operations. A salary reallocation that benefits the sponsor will always be approved.

### I. Penalties for Non-compliance

If PARs are not completed and returned in a timely manner, the salaries and wages may not be supportable because if a fraction of a person's effort is unknown, then it is impossible to determine the entirety of that effort. Therefore, the costs associated with uncertified sponsored award effort may be removed and charged to a departmental account. Further, certification of PARs that are known to be materially inaccurate may expose the individual who completed the reports to disciplinary action.

All employees involved in certifying effort must understand that inaccurate, incomplete, or untimely effort reporting could result in financial penalties, funding disallowances, and harm to the reputation of the individual and the University.

## 5. Responsible Parties

Subject	Contact	Phone
<ul style="list-style-type: none"> <li>• Preparing Proposal Budgets</li> <li>• Effort Commitments</li> <li>• Award Administration</li> </ul>	Office of Sponsored Programs	617-353-4365
<ul style="list-style-type: none"> <li>• Personnel Activity Report (PAR) System Administration</li> <li>• Effort Certification</li> <li>• Salary Adjustments (SARFs)</li> </ul>	Post Award Financial Operations	617-353-4555

## 6. Related Policies and References

[OMB Uniform Guidance](#)

[NIH Grants Policy Statement](#)

[BU External Compensated Activity Policy](#)

[BU Salary Adjustment Policy](#)

[Faculty Handbook](#)

## **7. History**

This policy was adopted in September 2010; Updated July 2012; Updated February 2013; Updated September 2014; Updated July 2015