INTERNAL OPERATING MEMORANDUM

Memorandum No. 16A.006

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<th>Subject:</th>
<th>Effort Reporting</th>
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<tr>
<td>Authority:</td>
<td>OMB Circular A-21 and 2 CFR Part 215</td>
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<th>Related References</th>
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<td>Purpose</td>
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I. Purpose

To establish procedures for documenting and reporting effort based on federal requirements.

II. Definitions

A. Effort: Effort is the amount of time spent on an activity and is expressed as a percentage of time.

B. Effort Reporting: Effort reporting is a purpose mandated by the federal government to verify that direct labor charges to federally approved projects/agreements are reasonable and reflect actual work performed.

III. General Information

A. According to OMB Circular A-21
   1. The payroll distribution system will be incorporated into the official records of the institution.
   2. Reasonably reflect the activity for which the employee is compensated by the institution.
   3. Encompass both sponsored and other activities on an integrated basis, but may include the use of subsidiary records. The method of allocating payroll costs must recognize the principle of the After-the-Fact confirmation or determination so that costs distributed represent actual costs.

B. Reporting cycles are as follows:
   1. Spring – January 1st to May 7th
   2. Summer – May 8th to August 7th
3. Fall – August 8th to December 31st

C. The effort reports are generated after the end of semester.
D. The effort report forms are to be returned to the Office of Contracts and Grants.

IV. General Procedure
A. Payroll information will be obtained electronically by pay period with detail by employee and merged into MS Access database.
B. Assignment of Responsibility (AOR) forms are collected by the Academic Affairs/Institutional Research office.
C. The effort reports are delivered to the Principal Investigator (PI), Chairperson or person who has direct knowledge of the time and effort spent on activities for certification.
D. The PI or employee with first hand knowledge of effort will verify and sign the report, certifying that the employees actually performed the work on indicated grant projects.
E. The certified effort reports are returned to the Office of Contracts and Grants for review.
F. Corrections to effort reports should be reflected in the appropriate sections of the form. The PI should initiate the processing of the correction by performing the following:
   1) Revise the appointment form and AOR.
   2) Repeat the procedure for payroll changes.
   3) Notify the Office of Contracts and Grants of the changes.
   4) Adjustments will be made in the payroll distribution system.
G. Certified and reviewed reports are returned to the Office of Contracts and Grants to be placed in official files.

V. Records

The Office of Contracts and Grants will maintain records in accordance with applicable regulations. The appropriate record retention guidelines should be followed for retention and disposition of documents.