AUDIT TOPIC: EFFORT CERTIFICATION

In Spring 2019, Internal Audit conducted an audit of CFAES research activities. One of the issues highlighted in the audit report was a misstated time and effort certification (eCert). It was recommended that procedures and controls be strengthened within CFAES to ensure future compliance with University policy and Federal regulations.

What is Time and Effort Certification?
The mechanism used to provide assurance to federal or other external sponsors that salaries charged or cost shared to sponsored projects are reasonable in relation to the work performed.

What does the Federal regulation say regarding effort certification?
The Uniform Guidance (UG), Subpart E §200.430, contains the federal regulatory requirements for internal controls over certifying time expended on sponsored projects. The University’s practice is to utilize an after-the-fact effort reporting system to certify that salaries charged, or cost shared to sponsored awards, are reasonable and consistent with the work performed. The individual’s effort is first assigned to specific awards in the payroll system based upon anticipated activities. Actual effort expended on each project is then certified by a responsible person with suitable means of verification that the work was performed, generally the principal investigator, at the end of specified reporting periods. The effort certification should be a reasonable estimate of how time was expended. Section §200.430(c) states, “It is recognized that teaching, research, service, and administration are often inextricably intermingled in an academic setting. When recording salaries and wages charged to Federal awards for IHEs [Institutions of Higher Education] a precise assessment of factors that contribute to costs is therefore not always feasible, nor is it expected.”

The University’s eCert process is the primary means for complying with the federal regulations relating to effort certification.

What are my specific responsibilities as a Principal Investigator (PI) regarding effort certification?
- Understand your own effort, as well as all others contributing effort on sponsored program awards.
- Review salary charges on awards on a routine basis through the PI Portal. If the level of effort significantly changes for a given project from what was originally proposed/budgeted, communicate this to your department’s fiscal officer or grant specialist so it can be amended appropriately.
- Thoroughly review eCerts for accuracy before certifying. Consider all work you or others are contributing, especially if multiple projects are ongoing during one effort period. Request correction if necessary, through your department fiscal officer or grant specialist.

What effort certification issue arose during the CFAES audit and what can I learn from it?
Internal Audit interviewed personnel from several research projects to evaluate reasonableness of effort certifications. PI’s and grad students were asked about the specific work they were doing, and this was then compared to effort reports which were previously certified during this time period. In one instance, a PI shared that a grad student was working on two sponsored projects, which made up 45% of his time, and 55% of his time was spent doing departmental research (not funded by sponsored projects). When
interviewed, the grad student confirmed his effort was indeed split as was explained by the PI. However, the certified effort report showed 100% of the grad student’s time split between the two sponsored projects, and no amount of effort was certified as being funded by departmental research. Based on the interviews, this was a misstated effort report. Essentially, these two grantors were charged for more than the benefit they received.

It is important to thoroughly review effort reports for accuracy before certifying. Ensure eCerts reflect 100% of total effort, not just sponsored project effort. Effort often deviates from what was planned or budgeted; this is normal in research. Just remember to communicate these changes so effort (payroll) can be amended, and then, eCerts can be reissued. If an auditor requests an interview to discuss your research, review effort certifications to prepare for this conversation. Report any inconsistencies you may uncover to your department fiscal officer or grants specialist.

**What if I have further questions on my responsibilities regarding effort certification or audits?**
Your department fiscal officer or grants specialist is always a good first resource!

If you have questions on the accuracy of an effort report, if it needs corrected, or just general eCert questions, contact the FAES Grants Development Support Unit Post-Award Specialists:

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If you are contacted by an external/internal auditor for interview and you would like to discuss preparation steps or your response, please contact FAES Finance:

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