



TIME AND EFFORT CERTIFICATION POLICY

Issue Date: September 20, 2022
Supersedes: *Guidelines for Time and Effort Certification*
Last Review: September 20, 2022

I. PURPOSE

The purpose of this policy is to establish guidelines for implementing the time and effort certification required to comply with the Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance") and 2 CFR Section 200.430.

II. POLICY

It is the policy of New York Medical College ("NYMC" or "the College") that all faculty and staff adhere to pertinent regulations defined herein requiring quarterly written certification of time and effort. The College must follow the standards of the Uniform Guidance Subpart E § 200.430 and applicable federal regulations with respect to certifying effort charged to federally sponsored projects. The College maintains an after-the-fact effort reporting system and obtains effort certification from employees in compliance with federal regulations. The College requires employees to certify the accuracy of the percentage of time (i.e., effort) charged to sponsored projects. The effort certification should be a reasonable estimate of how time was spent. If effort is not properly certified, salary charges must be removed from the sponsored account.

III. SCOPE

This policy applies to all individuals who are paid in part or in full by federal funds at NYMC, including Principal Investigators ("PI").

IV. DEFINITIONS

Compensation for Personal Services – all remuneration, paid currently, or accrued, for services of employees rendered during the period of performance under an award, including but not necessarily limited to, wages and salaries.

V. PROCEDURES

A. Time and Effort Certification.

1. The time and effort certification report accounts for 100% of all effort for which the College compensates the individual. Time and effort percentages are based on total effort, not hours. This means that all effort is included, when where the number of hours of effort the individual expends each week substantially differs from the normal work week of thirty-five (35) hours. The certification report

supports the distribution of the person's salary or wages among specific activities or cost objectives. Any effort spent on proposals and results awards, but not charged to sponsored projects must be reported as "Voluntary Committed Cost Sharing."

2. The College time and effort certification reports are to be signed by the employee. In cases where the employee is on approved leave for more time than the window for a PI to certify their report, the principal investigator (PI) may sign and confirm that all activities (sponsored and non-sponsored) are reported correctly, and that the distribution of effort shown on the certification report reasonably reflects the percentage of total effort that was spent on each activity.

B. Effort Thresholds

1. Maximum Effort Thresholds – PI's and employees must account for 100% of their College-compensated time and effort including, for example, the time relating to non-sponsored activities including teaching, grant writing, committee participation, administrative duties, department or other chairmanships, or other administrative responsibilities.
2. Minimum Effort Thresholds – all PI's and other key personnel on sponsored awards must have effort, if required, on awards. Committed effort can be charged directly to awards or to cost sharing.
3. Specific to NIH awards, the following clarification was published in 2003 regarding charging effort on federal awards: "[T]he contribution of Key Personnel [must be] 'measurable' whether or not salaries are requested. Zero percent effort and 'as needed' are not acceptable for individuals that the grantee identifies as Key Personnel."

- C. Salary Limitations. PI's must be mindful of salary limits imposed by certain sponsors (*e.g.*, National Institutes of Health) for their Federally Funded Awards. PI's will work with the Restricted Funds Accounting Department ("RFAD") to ensure annual salary limited are not exceeded.

- D. Frequency. Time and effort reports will be distributed on a quarterly basis by the RFAD.

E. Corrections

1. Actual effort should be closely monitored throughout the budget period for each award. Significant changes to planned effort distributions should be made as soon as they are known by the PI by completing an Electronic Personnel Action Form ("EPAF") through the TouroOne portal.
2. If corrections are made to the certifications, completion of an EPAF may be required to correct the employee's effort in the system. Guidance is available for PI's completing the EPAF in the [NYMC EPAF Guide](#).
3. Effort distributions that are made only for the intention of spending down sponsored project funds or as a matter of convenience are not allowed.
4. If the change results in a retroactive adjustment in excess of ninety (90) days, the PI will prepare a written explanation of why the change was not completed in a timelier manner. The PI is responsible for finding additional funding sources if such funding is necessary.

F. Responsibilities. Effort reporting is a federal compliance requirement. Restricted Funds, Grants Management, Research Personnel, and PI's have an important role in ensuring the certifications are accurate and completed in a timely manner.

G. Restricted Funds and Grants Management

1. Distributing the Time and Effort Certifications on a quarterly basis to the research personnel and PIs.
2. Assuring the return of all approved time and effort reports.
3. Reviewing the time and effort reports and comparing any changes from prior periods with EPAFs to verify the proper application of effort levels.
4. Coordinating with HR to ensure that fully processed and approved EPAFs have been properly applied.
5. Filing the Time and Effort reports in the appropriate grant or contract folder for audit review.
6. Providing advice and guidance with respect to the administration and interpretation of this policy.
7. Investigating effort distribution changes and retroactive adjustments for labor costs totaling over 90 days of an employee's salary or across grants without shared commonality.

H. Research Personnel

1. Reviewing level of effort percentage for all activities performed and determining if it is a reasonable estimate.
2. Correcting the percentage of effort displayed on the report if the percentage is not a reasonable estimate of the employee's actual effort.
3. If a correction is needed, the percentage should be crossed out, with the corrected percentage written in the margin of the PDF report.
4. Employees signing the report confirms that effort, as certified, reasonably represents the effort expended during the period.
5. Recertifying reports if effort changes are made after a quarterly statement has been certified. A statement justifying the reason for any changes is required for all adjustments.

I. Principal Investigators

1. Understanding their own as well as their employees' levels of effort committed, charged, and reported on all federally funded awards.
2. Reviewing the effort report percentages and comparing them to the committed level of effort in the authorized budget.
3. Reviewing and comparing the projected percentage of activity with that currently being charged on the grant(s) or contract(s) for each individual.
4. Distributing the report to employees and obtaining the employee's certification.
 - a. Employees signing the report confirms that effort, as certified, reasonably represents the effort expended during the period.
 - b. If employee(s) are unavailable to certify their time, then the PI may sign the report(s), as long as he/she has sufficient technical knowledge and/or suitable oversight of the employee's effort.

- c. While the PI may sign the report, the regular practice should be that of the employees certifying their time via signature.
5. Correcting the percentage of effort displayed on the report if the percentage is not a reasonable estimate of the employee's actual effort. If a correction is needed, the percentage should be crossed out, with the corrected percentage written in the margin of the PDF report.
6. Retaining a copy of each employee's report.
7. Returning the certified reports to the Restricted Funds department within two weeks. If the effort reports are not properly certified and returned to the Restricted Funds Department in the requested timeframe, the salary charges become non-billable and must be absorbed by institutional accounts.
8. Recertifying and signing reports if effort changes are made after a quarterly statement has been certified. A statement justifying the reason for any changes is required for all adjustments.

VI. EFFECTIVE DATE

This policy is effective immediately.

VII. POLICY MANAGEMENT

Executive Stakeholder:	Vice President and Chief Financial Officer
Oversight Office:	Controller's Office