

Certification of Salary Distribution (Effort Reporting): Overview

Definitions

The following terms are used in this procedure.

Term	Definition
Certification of salary distribution (Effort Reporting)	A summary of a person's distribution of charges for services on a particular project, task, and award for a specific time period.
Effort (Activity)	The activity for which the employee is compensated and which the employee must perform.
Total Effort	The sum of percentages of compensation an employee receives for each project, task, and award.
Disallowance	A determination by a sponsor that a charge to an award is not allowable under the terms and conditions of the award.

Purpose

This document provides an overview of certification of salary distribution (effort reporting), including what it is, Office of Management and Budget (OMB) A-21 requirements, and the process to follow. The RF reports on salary distribution to substantiate compliance with the requirements of:

- nonfederal cost sharing or matching agreements, and
- federal OMB Circular A-21, Principles for Determining Costs Applicable to Grants, Contracts, and Other Agreements with Educational Institutions.

If an RF operating location cannot document that an employee required to certify effort is devoting the required amount of effort to the appropriate project, a potential for after-the-fact disallowance exists.

For information on the RF policy concerning responsibility for loss incurred on sponsored projects, refer to the [Responsibility for Losses Policy](#).

Description of Certification of Salary Distribution (Effort Reporting)

Certification of salary distribution, also called effort reporting, involves keeping track of and reporting "all amounts paid" (Sec. J10a) to Research Foundation (RF) and State University of New York (SUNY) employees for services rendered on certain types of sponsored programs. The [Effort Reporting Policy](#) identifies which employees must report and certify their activity.

With the exception of hourly employees, an employee's labor schedule is used to distribute compensation to the work on one or more projects, tasks, or awards.

Note: The terms effort and activity can be used interchangeably, and an effort report is another name for the Certification of Salary Distribution Report created in the RF's business system.

Basic Components of the Certification of Salary Distribution (Effort Reporting) Process

The certification of salary distribution (effort reporting) process is made up of the following basic components:

- Maintaining accurate information in the RF business system.
- Running reports and queries to ensure that accurate records exist for creating certification of salary distribution reports for all appropriate employees.

- Running, printing, and distributing certification of salary distribution reports based on an employee's labor distribution history for defined time periods.
- Certifying certification of salary distribution reports and timesheets on the appropriate employees.
- Identifying delinquent reports.
- Retaining the certified certification of salary distribution reports and timesheets.

Requirements of OMB Circular A-21

OMB Circular A-21 requires educational institutions to document the distribution of salaries and wages paid to employees performing services on federally sponsored projects. *Secs. J10b, J10b(1a), J10b(1d)*.

This requirement does not apply to the following (*Secs. A3a-c*):

- Arrangements under which federal financing is in the form of loans, scholarships, traineeships, or other fixed amounts based on such items as an educational allowance or published tuition rates and fees of an institution
- Capitation awards
- Other awards under which the Research Foundation is not required to account to the government for actual costs incurred.

Regarding the level of precision required for distribution and documentation, A-21 states that "in an academic setting, teaching, research, service, and administration are often inextricably intermingled. A precise assessment of factors that contribute to costs is not always feasible, nor is it expected. Reliance, therefore is placed on estimates in which a degree of tolerance is appropriate." *Sec. J10b(1c)*. The Research Foundation defines this as +/- 5% of actual charges.

Requirements for Reporting Extra Service

OMB Circular A-21 states that compensation for incidental work is not required to be included in the system utilized to report effort, provided such work is separately identified and documented in the institution's financial management system. *Sec. J10a*.

Full-time SUNY professional employees and full-time RF employees in exempt positions who have regular appointments may be compensated by means of an extra service assignment for work beyond that which is normally required by their professional obligation. Such activity may involve, but is not limited to, teaching, research, and public service. For both RF and SUNY employees, extra service appointments are considered "incidental" work as such appointments represent effort above and beyond the employee's professional obligation.

Use of Certification of Salary Distribution Reports to Satisfy OMB A-21 Requirements

OMB Circular A-21 outlines the criteria for acceptable methods of documenting the distribution of salary charges and describes examples of acceptable methods. *Secs. J10b(1d), J10b(2), and J10c*.

Reporting Salary Distribution

The RF has chosen the after-the-fact activity records method; a system of certification of salary distribution that reflects an after-the-fact reporting of the percentage distribution of salary and wages for which employees are compensated by the institution. These reports must reasonably reflect the activities for which employees are compensated by the institution. *Sec. J10c(2)*.

The RF uses two types of records to report activity:

- timesheets (e.g., biweekly or hourly attendance reports), and
- certification of salary distribution reports.

Refer to the section "Documents Used to Certify Salary Distribution" later in this document for more information.

Manual Certification of Salary Distribution

The RF uses a manual method to certify the salary distribution of an employee. Certification of salary distribution reports (effort reports) and timesheets are hand signed by the employee or a person with first hand knowledge of the employee's effort. Additional supporting documentation is required if a designee has signed the report. This supporting documentation should specify how the designee has direct/verifiable knowledge of the work performed by the individual. For example, documented conversations between principal investigators (PI) and designee that work was completed should remain on file for future verification. Each page of a printed certification of salary distribution report has an area for a signature. Operating locations should have a process in place that explains to the person who is certifying which page or pages should be signed. If effort reports with multiple pages are stapled together, one signature is

acceptable. The certification of salary distribution report or timesheet must be signed by the employee, PI, or other responsible official to confirm that the document represents a reasonable estimate of the work performed by the employee during the period. *Sec. J10c(2c)*.

Reporting Periods

Certification of salary distribution [reporting periods](#) differ depending on the type of employee. OMB Circular A-21 requires reports to be prepared for professional staff each academic term (i.e., three times a year) and for nonprofessional staff at least once a month in connection with one or more pay periods. *Sec. J10c(2e-f)*. For more information, refer to the document, [Reporting Periods for Certification of Salary Distribution Reports](#).

Documents Used to Certify Salary Distribution

Salary distribution is reported and certified when the appropriate document is signed by the employee, principal investigator, or other responsible official. Only one person's signature is required for certification. The following table describes the type of document to use to record the distribution of salary charges for those employees required to report and certify:

Use this Document	To Certify Effort for this Type of Employee	Description of Document
Certification of Salary Distribution Reports (Effort Reports)	RF Exempt SUNY Professionals	Certification of salary distribution reports (effort reports), run by each operating location in the RF business system, contain information about the distribution of compensation for a given employee over a particular time period and the sponsored program to which the salary or wage is charged.
Timesheet	RF Nonexempt	"Timesheet" refers to one of the following reports: <ul style="list-style-type: none"> • The Biweekly Attendance Report or a location-specific equivalent used to record and certify the effort of RF nonexempt biweekly employees. • The Hourly Attendance Report or a location-specific equivalent used to record and certify the effort of RF nonexempt hourly employees.

Note: Oracle certification of salary distribution reports (effort reports) can be created and certified for RF Nonexempt employees, but timesheets still would need to be signed. Persons in other groups may also be required to report effort.

Certifying the Distribution of Charges

Certification of salary distribution reports (effort reports) should reasonably reflect the activities for which employees are compensated by the institution. Operating locations must review the certification of salary distribution reports and time sheets for accuracy and ensure they are reasonable, correct them by hand if necessary, have them certified, and when necessary input information into the RF business system.

Signing a certification of salary distribution report (effort report) certifies the distribution of charges for a person, not the distribution of effort. Total distributions will always equal 100% of an employee's total salary (e.g., RF and SUNY compensation) for the reporting period. For an employee required to certify salary distribution, all of the employee's effort — in the form of distributed compensation — must be certified, as described in the following table:

Type of Employee	What Effort is Certified
SUNY Employees	All activity must be certified on certification of salary distribution reports (effort reports), total SUNY effort, plus all effort on individual Research Foundation accounts prorated over the entire reporting period. The total of SUNY effort and RF effort must equal 100 percent.
RF Exempt Employees	The total percent of salary distributed to sponsored program activities must equal 100 percent. For example, if a person worked 20 hours per week out of a 40-hour week all on one award and had no other activity for that reporting period, then that person should certify to 100 percent on that

	award.
RF Biweekly Nonexempt Employees Using Time Sheets	The percent of effort is based on the hours noted on the time sheet and must total 100 percent. For example, a person working 20 hours per week out of a 40 hour week all on one award or project should certify to 100 percent salary distributed to that award or project.
RF Hourly Nonexempt	Employees certify to hours worked on an award or project. The time sheet includes the Research Foundation award/project being charged and the hours charged to each.

When to Certify

Certification of salary distribution reports (effort reports) created for RF and SUNY employees must be signed and the appropriate information input to the RF business system within 90 days after the end of the reporting period. RF non-exempt employees who use time sheets for certification of salary distribution (effort reports), must have their time sheets signed within 14 days after the end of the biweekly reporting period.

Refer to the Procedures and Guidance document [Reporting Periods for Certification of Salary Distribution Reports](#) for information on when OMB Circular A-21 requires reports be prepared and certified.

Change History

Date	Change History
January 29, 2010	Added additional information about first hand knowledge of work performed when a designee signs an effort report Moved contents of "Why...Important" and "Why...Done" to Purpose section.
January 7, 2006	Renamed file for consistency with other effort reporting documents.
November 10, 2005	Renamed from "About Reporting Salary Distribution for Certification of Personal Activity." Incorporated document Idpro010 (Effort Reporting) into this document and reorganized information.
February 2, 2005	Updated links.
October 19, 2001	Updated to include the revised name of an effort report to be "Certification of Salary Distribution Report."
September 19, 2001	New document derived from Personnel Activity Manual (PAR-P-02).

Effective Date: September 19, 2001

Responsible Party: Office of Administration and Human Resources, Payroll Unit

Contact Information: 518-434-7080

Feedback

Was this document clear and easy to follow? Please send your feedback to webfeedback@rfsuny.org.

Copyright © 2011 The Research Foundation of State University of New York