

# Coffee with Office of Sponsored Programs

February 5, 2008

Topic:      Effort Verification Reports

# Effort Verification Reports

1. Overview
2. Perspective
3. Roles and Responsibilities
4. Definitions and Requirements
5. Questions

# Overview

## 5 Ws of EVRs - Effort Verification Reports

1. **Who** – every person paid from a sponsored project, cost share on a sponsored project, work study, or federal appropriation as well as those responsible for monitoring payroll and those who are responsible for certifying the effort of others
2. **What** – must certify how they spent their effort by completing an EVR
3. **Why** – to comply with the federal administrative requirements, OMB A-21, terms and conditions of agreements, and University Policy and Procedures
4. **When** – semiannually with the next reports to be run by the UM System Controller's Office on February 8, 2008
5. **Where** – these reports will be located at a specified Web site, completed individually, and returned to OSP by March 9, 2008

## Final Objective - How

- **Implement using details in APM 60.32 revised 10/5/07 effective 1/1/08**
- **Keep in mind Sponsored Programs BPM 210 revised 10/18/07**
- **Utilize correction policy in BPM 213 regarding any Payroll Correcting Entries (PCEs). Any PCEs which will affect the next EVRs must be made by 5 p.m. on 2/7/08.**

# Perspectives

- **Importance of Compliance and Risks**
  - Consequences for Accepting Federal Awards**
    - Subject to OMB Circular A-110 - Administrative Rules**
    - Subject to OMB Circular A-21 - Cost Principles**
    - Subject to OMB Circular A-133 - Single Annual Audit**
- **Summary of Audit Issues and Concerns**
  - Audit Issues involve findings related to EVRs in the last two years**
    - EVRs were not being done**
    - EVRs were not done in a timely manner and/or correctly**
    - EVRs did not match salary charges on the project**
  - Impact of Unfavorable Audit:**
    - High-risk auditee because of two unfavorable audits**
    - Increased monitoring and oversight**
    - Document and explain questioned costs**
- **Risks of Potential Consequences**
  - Repayment of funds**
  - Department must cover unallowed costs**
  - Additional documentation to obtain funding**
  - Loss of current and/or future funding**

# APM – 60.32 EVR Outline

<http://www.umsystem.edu/ums/departments/fa/controller/accountingservices/manual>

- General Policy and Procedure Overview
- Key Term Definitions
- Detail Policy and Procedures
- Roles and Responsibilities

# PI Responsibility

- The principal investigator (PI) is responsible and accountable for compliance with all federal regulations associated with sponsored projects awarded under his or her supervision.
- **Effort verification is a compliance requirement of accepting federal awards.**

# PI Responsibilities

## (Excerpt from BPM 210)

- **All expenditures made against a sponsored project**
- **Knowing and adhering to the specific limitations and restrictions of the sponsor and of the award documents**
- **Knowing and adhering to all administrative and financial compliance requirements of sponsors, regulators, and the University**



EVR  
Form  
  
What  
to  
Check

Report ID: USGM001 Effort Verification Report Page 27  
Report Date: 06-AUG-2007 [redacted] -- 01-JAN-2007 through 30-JUN-2007

HR Division: AACAD Academic Affairs  
Primary Department: AWSTHIST Western Historical Manuscripts

Institutional Base Salary for effort reporting during period: 1,699.12  
Total payments during period: 1,699.12  
Institutionally controlled contractual commitments not paid through payroll (included in Total Professional Effort):

EmplID: [redacted] PAF effective date: 01-JAN-2007 Empl Record: 0 1  
Status: Active FTE: 0.5 Job Code: 8881 8884  
Employment classification: Temporary

Effort Drives payroll!  
But...this payroll calculation may mimic effort and is provided for a starting point!

Pay source data for the report period:

MoCode	Fund	DeptID Descr	Prgm	Class	ProjectID Descr	PCS Code	Planned Allocation % Allotted	Payroll Data \$ Amount	%	Effort Allocation Estimate* %
C4904	0315	C0705007 ROLLINS GROUP FOOD	C8712	0	00	AUX	100	1,660.12	98	
CH107	2280	C1268054 GRANTS STDNT FINANCIAL AIDS 81	0	0	CG002217 Federal College Work Study Pro	81	90	39.00	2	
A0247	0825	A1303009 WEST MANU SERV ACCI	0	0	00	63	10	0.00	0	
<b>Total</b>							<b>200</b>	<b>1,699.12</b>	<b>100</b>	<b>100</b>

Is this the right grant?

What is your agreed upon effort?

\*After the fact Effort Allocation Estimate (EAE) for the report period must be completed and may be estimated at 5% increments. EAE is an estimate of how you spent your time during the reporting period.

If the Effort Allocation Estimate differs from Payroll data by more than 5% for any funding line, then a Payroll Correcting Entry (PCE) must be made. PCEs for the time period covered by this report must be made within 30 days of the issuance of this report.

Payments made through Payroll and excluded from the base calculation:

MoCode	Fund	DeptID Descr	Prgm	Class	ProjectID Descr	Earn Code	\$ Amount
<b>Total</b>							<b>0.00</b>

Unearned Revenues

I am the individual named in this report, or I have first hand knowledge of the activities of the individual named in this report and suitable means of verification of all effort shown on this report. In those instances where an employee, other than the individual whose effort is being reported, completes and signs the effort report form, that employee must have access to reliable information as to how the individual's effort was expended and must maintain supporting documentation of that information. I affirm that the percentages listed under Effort Allocation Estimate are a reasonable reflection of the subject individual's activities during the time period covered by this report. I understand that Effort Allocation Estimate data may require departmental personnel to initiate Payroll Correcting Entries to accurately reflect these data in the University's accounting system, and that I have the responsibility to notify departmental personnel when such entries are necessary.

Signature \_\_\_\_\_ Printed Name \_\_\_\_\_ Date \_\_\_\_\_

Signing and dating are critical since this is a "certification"

# EVR Form

# Effort Always Equals 100%

Report ID: USGM0001 Effort Verification Report Page 27  
 Report Date: 06-AUG-2007 [REDACTED] 01-JAN-2007 through 30-JUN-2007

HR Division: AACAD Academic Affairs  
 Primary Department: AWSTHIST Western Historical Manuscripts

Institutional Base Salary for effort reporting during period: 1,699.12  
 Total payments during period: 1,699.12  
 Institutionally controlled contractual commitments not paid through payroll (included in Total Professional Effort): \_\_\_\_\_

EmplID: [REDACTED] PAF effective date: 01-JAN-2007 Empl Record: 0 1  
 Status: Active FTE: 0.5 Job Code: 8881 8884  
 Employment classification: Temporary

Pay source data for the report period:

MoCode	Fund	DeptID	Prgm	Class	ProjectID	PCS	Planned	Payroll Data	Effort	
		Descr			Descr	Code	Allocation	\$ Amount	Allocation	
							% Allotted		Estimate* %	
C4904	0315	C0705007	C8712	0	00	AUX	100	1,660.12	98	
		ROLLINS GROUP FOOD			00				98	
CH107	2280	C1368054	0	0	CG002217	81	90	39.00	2	
		GRANTS STDNT FINANCIAL AIDS			81				2	
A0247	0825	A1303009	0	0	00	63	10	0.00	0	
		WEST MANU SERV ACCT			00					
<b>Total</b>							<b>200</b>	<b>1,699.12</b>	<b>100</b>	<b>100</b>

Write in effort

Effort always = 100%

\*After the fact Effort Allocation Estimate (EAE) for the report period must be completed and may be estimated at 5% increments. EAE is an estimate of how you spent your time during the reporting period.

If the Effort Allocation Estimate differs from Payroll data by more than 5% for any funding line, then a Payroll Correcting Entry (PCE) must be made. PCEs for the time period covered by this report must be made within 30 days of the issuance of this report.

Payments made through Payroll and excluded from the base calculation:

MoCode	Fund	DeptID	Prgm	Class	ProjectID	Earn Code	\$ Amount
		Descr			Descr		
<b>Total</b>							<b>0.00</b>

I am the individual named in this report, or I have first hand knowledge of the activities of the individual named in this report and suitable means of verification of all effort shown on this report. In those instances where an employee, other than the individual whose effort is being reported, completes and signs the effort report form, that employee must have access to reliable information as to how the individual's effort was expended and must maintain supporting documentation of that information. I affirm that the percentages listed under Effort Allocation Estimate are a reasonable reflection of the subject individual's activities during the time period covered by this report. I understand that Effort Allocation Estimate data may require departmental personnel to initiate Payroll Correcting Entries to accurately reflect these data in the University's accounting system, and that I have the responsibility to notify departmental personnel when such entries are necessary.

Signature \_\_\_\_\_

Printed Name \_\_\_\_\_

Date \_\_\_\_\_

# EVR Completion

- Important Notes
- Instructions
- Examples

# Questions?

## Responsibility for Accurate Reporting A-21 Effort Reports

THE OFFICE OF SPONSORED PROGRAMS will distribute via the academic unit a formal Effort Report to the individual named in the report

THE ACADEMIC UNIT (departmental administration) will receive a report for each of the individuals in their department who have responsibility to complete a formal Effort Report and distribute the report to those appropriate individuals.

THE INDIVIDUAL, by signing the reports, ensures the appropriateness of all effort expended on each sponsored project is accurately reported based upon the percentage of effort expended on each sponsored project and returns the signed report to departmental administration upon returning the report, the individual must inform departmental administration of any necessary Payroll Correcting Entries or changes they made to the report.

A-21 Report Returned to Academic Unit  
Academic Unit is responsible for the following

Report is correct no changes

Return to OSP to file

Yes

Report incorrect

If the change is older than 60 days, Dept/Univ is in violation of University Rules "BPM 213"

If change is less than 60 days from original posting date a Payroll Correcting Entry is made in the system

Dept. must complete Expense Transfer request, obtain all necessary signatures, and submit to OSP

Return to OSP to file

OSP will review requests and make PCEs if the request is approved. OSP will notify your Department if a recertification of the EVR is required

Yes

Revise EVR to reflect change

No

If the payroll change affects the final financial report/invoice, Department must notify OSP

Return to OSP to file

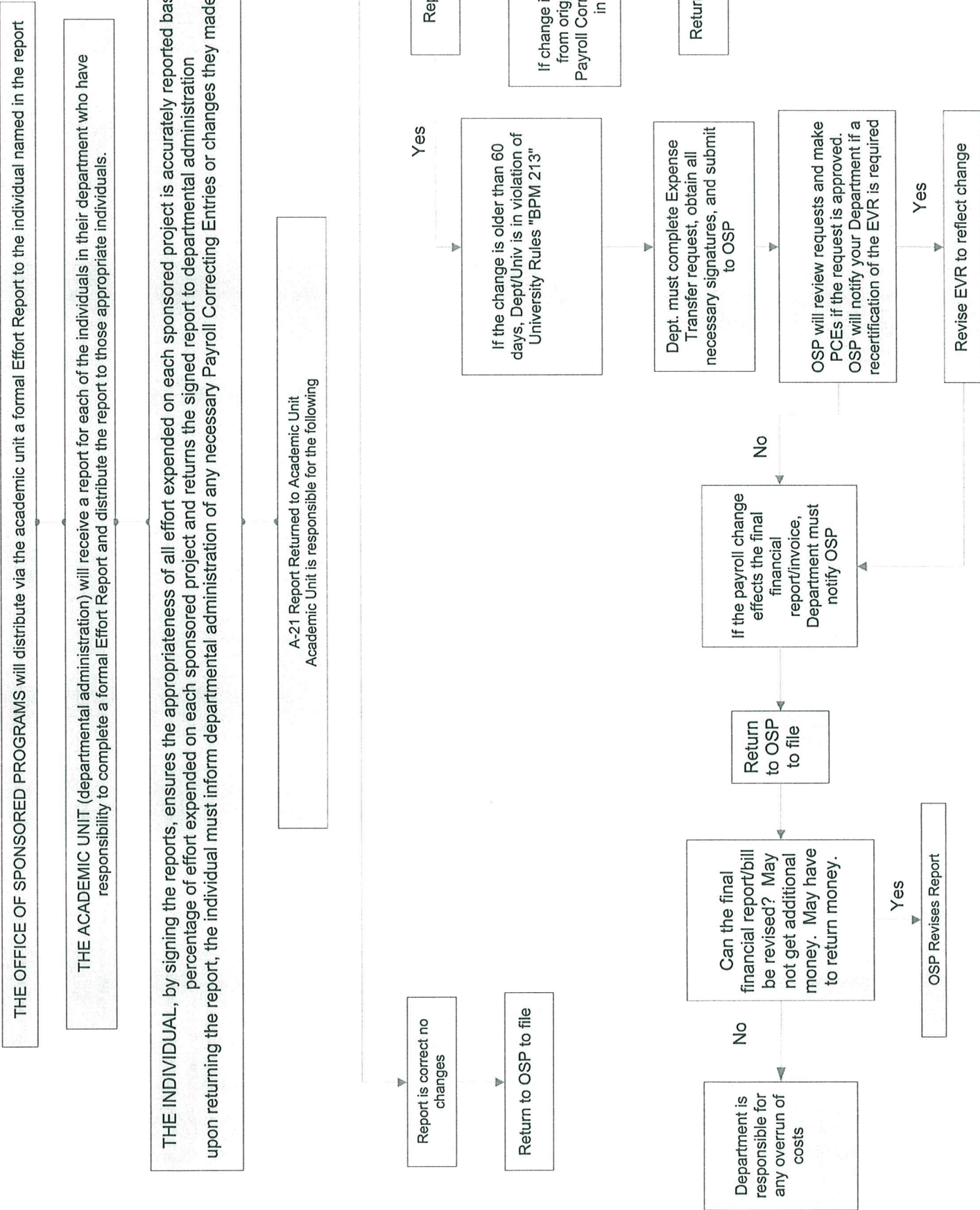
Can the final financial report/bill be revised? May not get additional money. May have to return money.

No

Department is responsible for any overrun of costs

Yes

OSP Revises Report



**Important Notes--**

- The Effort Allocation Estimate (EAE) in the far-right column must always be completed, regardless of whether it has changed or not, even if effort was 100% on one chartfield. This applies to both regular employees and work study students. See examples below.
- The Effort Allocation Estimate must always add to 100% of the employee’s time. (If the employee generally works a 60 hour week, estimate should be based on that amount of hours. If employee works 40 hours, or 20, the EAE should always add to 100% of the employee’s work week and payroll.)
- Every report must be signed and dated, even if the employee no longer works for your department or is unavailable. If the employee is unavailable for signature, that person’s direct supervisor, fiscal officer, or the department chair/ equivalent must sign.
- If the EAE is not completed or the report is unsigned, the report will **not** be accepted and will be returned to your department for completion.
- If the employee worked more than half-time for another department but printed with your department’s reports, verify the portion pertaining to your department and send the report directly to the other department for completion. Coordination of reports split between departments should be completed **before** submission to OSP.
- If your department is late with A-21 Effort Verification Reports, it causes the University of Missouri to be out of compliance with federal regulations. Extended tardiness may result in the freezing of your grant accounts until reports are completed, at the discretion of the Vice Provost for Research.

**Instructions--**

- 1) The employee should first indicate in the Effort Allocation Estimate (EAE) column what percentage of his or her time was spent working on each of the chartfields which printed on his or her report.
- 2) The effort should be compared to the Payroll Data in the columns just to the left of the Effort Allocation Estimate.
- 3) If there is a discrepancy of more than 5%, Payroll Correcting Entries should be completed to make the payroll match the effort. Attach copies of these entries to the report when submitting. If the payroll fits the criteria in BPM 213 , contact the Office of Research Services or Accounting for assistance with these transfers.
- 4) The Payroll Data should also be compared to the General Ledger, to check for any Payroll Correcting Entries which may have posted and would create a discrepancy between the GL and the EVR report.
- 5) Employee should sign, and print name and date. If unavailable, his/her direct supervisor, fiscal officer, or the department chair/ equivalent must sign.

**Examples –**

MoCode	Fund	Dept ID Descr	Prgm	Class	Project ID Descr	PCS Code	Planned Allocation % Allotted	Payroll Data		Effort Allocation Estimate %
								Amount	%	
R0001	0000	R1001001	0	0	00000001	11	50	\$ 10,000.00	33	45
R0010	0000	R1001002	0	0	00000002	22	50	\$ 20,000.00	67	55
<b>Total</b>							<b>100</b>	<b>\$ 30,000.00</b>	<b>100</b>	<b>100</b>

**In the above example, PCEs must be made to move 12% of the employee's salary from R0010 to R0001, and copies of the PCEs must be attached to the report when it is submitted to OSP.**

MoCode	Fund	Dept ID Descr	Prgm	Class	Project ID Descr	PCS Code	Planned Allocation % Allotted	Payroll Data		Effort Allocation Estimate %
								Amount	%	
R0001	0000	R1001001	0	0	RG000668	81	100	\$ 5,000.00	100	100
<b>Total</b>							<b>100</b>	<b>\$ 5,000.00</b>	<b>100</b>	<b>100</b>

**In the above example, the EAE should be filled in as 100%, despite the fact that it is the same as the planned allocation and payroll data.**

MoCode	Fund	Dept ID Descr	Prgm	Class	Project ID Descr	PCS Code	Planned Allocation % Allotted	Payroll Data		Effort Allocation Estimate %
								Amount	%	
R0001	0000	R1001001	0	0	00000001	11	100	\$ 10,000.00	33	33
R0010	0000	R1001002	0	0	00000002	22	0	\$ 20,000.00	67	67
<b>Total</b>							<b>100</b>	<b>\$ 30,000.00</b>	<b>100</b>	<b>100</b>

**In the above example, no PCEs need to be made. Effort matches payroll, therefore it may be submitted.**

MoCode	Fund	Dept ID Descr	Prgm	Class	Project ID Descr	PCS Code	Planned Allocation % Allotted	Payroll Data		Effort Allocation Estimate %
								Amount	%	
R0001	0000	R1001001	0	0	00000001	11	100	\$ 10,000.00	33	30
R0010	0000	R1001002	0	0	00000002	22	0	\$ 20,000.00	67	70
<b>Total</b>							<b>100</b>	<b>\$ 30,000.00</b>	<b>100</b>	<b>100</b>

**In the above example, no PCEs need to be made. Effort matches payroll to within 5%, therefore it may be submitted.**