# Purdue University Effort Reporting Process

**Effort Reporting** is the process by which the University documents the compensated effort expended on Sponsored Projects*. In accordance with 2 CFR part 200.430 (Uniform Guidance), the University utilizes the after-the-fact activity records method. The Personal Activity Report (PAR) form documents the proportion of compensated effort devoted to Sponsored Projects expressed as a percentage of total University effort regardless of the total number of hours worked during the Effort Reporting Period. Residual effort on non sponsored activities may be grouped within accounts reflective of those activities.

*An externally funded activity that is governed by specific terms and conditions and is separately budgeted and accounted for according to the terms of the sponsoring organization. Sponsored Projects may include grants, contracts, and cooperative agreements for research, training, and other public service activities.

**Total University effort** is the total professional activity for which a monthly paid individual is compensated by the University. This includes regular pay, summer pay and administrative supplements. Salary components not included are overload payments, special merit pay, distinguished faculty supplements, and outside professional work (consulting and other approved outside activities).

**Effort Certification** is the verification by the individual completing each Personnel Activity Report (PAR) form that the distribution of charges reflect a reasonable estimate of the work performed during the period and that the percentages of effort expended on each Sponsored Project during the reporting period meets or exceeds the percentage of salary allocated to the project.

**Certifying 100% effort on Sponsored Projects** should be a very rare occurrence as certifying such attests that an individual only worked on these projects and did not perform any departmental responsibilities, write proposals to other sponsoring agencies or participate in any other unrelated activities during the Effort Reporting Period.

**Purdue University has three Effort Reporting Periods** corresponding to the two academic semesters and the summer session. These Reporting Periods are:

- Fall semester (September 1 through December 31),
- Spring semester (January 1 through April 30),
- Summer session (May 1 through August 31)

PARS are printed based on the final pay posting records for the Effort Reporting Period, and show the percentage of salary allocated to each account in the %CD column. Each salaried individual with a record of effort on a Sponsored Project receives a PAR, which may cover more than one position and/or wage type during the Effort Reporting Period. If the individual expended effort on a Sponsored Project during the Effort Reporting Period, but this effort was not accounted for before the last payroll run for the Effort Reporting Period, a manual PAR must be created for the individual.

**Managerial Accounting Services responsibilities** related to the PAR Process are:

- Notify faculty and staff regarding the availability of PAR forms for each Effort Reporting Period
- Monitor the Effort Reporting process including but not limited to ensuring that the PARs are keyed into the Effort Reporting System
- Respond to questions regarding Effort Reporting principles and/or process
- Review PAR forms for compliance with the Effort Reporting policy
- Retain the original PAR forms

**Business Office responsibilities** related to the PAR Process are:

- Ensure that sponsor imposed salary caps are calculated and appropriate salaries are recorded properly
- Assist covered individuals with the completion of PAR forms
- Confirm with individual if certifying 100% effort on Sponsor Projects that no departmental responsibilities, proposal writing to other sponsors or participation in any other unrelated activities were performed during the reporting period
- Make any necessary adjustments in cost distribution in accordance with the University's account management guidelines
- Collect all necessary PAR forms for each Effort Reporting Period, review them for completion, and forward them to Managerial Accounting Services in a timely manner
- Retain supporting documentation related to the salary and effort distributions

**Principal Investigators/Faculty responsibilities** related to the PAR Process are:

- Understanding the principles of accurate Effort Reporting
- Be aware of the level of Effort committed to a sponsor in relation to all other professional activities included in his or her Total University Effort (i.e.: departmental responsibilities, proposal writing, etc.)

- When appropriate, request sponsor approval for changes in committed Effort greater than 25%
- Ensure that only Effort expended on tasks that benefit individual Sponsored Projects is allocated or charged to those projects. Activities that do not benefit a Sponsored Project may never be allocated or charged to a Sponsored Project account
- Identify and remedy situations where the salary allocated to an Sponsored Project is more than the actual percent of Effort devoted to the project
- Correct the Effort Report when inaccuracies exist
- Certify his or her own PAR form and those of staff and students working on his or her Sponsored Project
- Complete the Effort Report within 30 calendar days from the time that the PAR form is made available
- Certify Effort during the Effort Reporting Period in which it is expended regardless of the period for which salary is budgeted

**Sponsored Program Services responsibility** related to the PAR Process is to review requests by faculty for reductions of Effort as required by sponsor terms and conditions.

**Certification of Effort**

The Effort Certification must be signed by the individual who's PAR it is or by someone having direct knowledge of the work performed by that individual. Faculty members are required to certify their own PAR forms. Principal Investigators (PIs) are not to Certify Effort for other faculty working on their projects.

It is recommended that a PI Certify Effort of the project staff and/or students working on his or her Sponsored Projects. 2 CFR 200.430 requires those Certifying Effort have a suitable means of verification that the Effort was expended. Therefore, at the PI's designation, a laboratory or project manager/director, using a suitable means of verification that the work was performed, may Certify the project staff member's PAR form.

**Completing the PAR Form**

Original distribution of effort for the reporting period is based on a reasonable estimate of future effort. Changes to the distribution may be made during the Effort Reporting Period should an individual's work activities significantly change after the start of the period. Once

the Effort Reporting Period is over a PAR is generated identifying how the individual has been paid.  Upon review of the PAR if it is determined that changes in the effort are necessary they are indicated in the %Effort column of the PAR.  When changes reported on the PAR are keyed during the certification, distribution for each month of the Effort Reporting Period will change to match the percentages indicated on the PAR.  If specific monthly breakdowns of effort are necessary, a PAR calculator should be used.  An example may be when a Sponsored Project expires prior to the end of a Reporting Period or when the salary is not the same in each month of the Reporting Period.  When salary is not the same in each month of the Reporting Period the figures for the %CD column and the %Effort column will not match, unless the effort is the same in each month.

 Something must be written in the %Effort column of the PAR form.  If there will be no change to any portion of the distribution in the Reporting Period, it is acceptable to write the word "same" (or otherwise indicating "same") in the %Effort column.  Using whole numbers is preferable, but when using a PAR calculator, effort should be entered exactly as calculated, out to the second decimal point.

If changes to any given line on the PAR are less than 5%, the certification process will not update distribution, unless specifically requested with an adequate explanation for the change and approved by Managerial Accounting Services.