

Standard Practice Guide Policies

Policy on Effort Certification

501.10

Applies to: All Departments and Units of the University

I. Policy

The university receives federal funding and is, therefore, subject to the requirements established by the Office of Management and Budget within the Uniform Guidance (Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards). To receive federal funding, the Uniform Guidance requires that institutions maintain a system of internal controls that provide reasonable assurance that charges to federally sponsored projects are accurate, allowable and properly allocated. The university's effort reporting process is a primary component of this system of internal controls and provides evidence to support the reasonable approximation of employee effort devoted directly to sponsored projects. In addition, state agencies, private foundations and other organizations that provide sponsored project funding may require verification of effort consistent with the Uniform Guidance requirements.

The university also receives funding from Medicare through the Centers for Medicare and Medicaid Services (CMS). A portion of this funding is dependent upon the university being able to demonstrate effectively the amount of time (effort) that physicians spend performing administrative duties versus clinical duties in accordance with the requirements established by the Medicare Provider Reimbursement Manual (Part 1 Chapter 23).

To ensure compliance with the requirements in the Uniform Guidance, the Medicare Provider Reimbursement Manual and other grants and contracts, the university requires effort certification by certain employees.

Employees must certify effort if they:

1. Perform sponsored activities

2. Are compensated by cost sharing related to sponsored activities
3. Are a Medical School faculty member who holds an MD

Employees signing an Effort Certification Report attest to and verify the accuracy of information contained in the report. Annual effort certification education is mandated for all persons required to certify effort and is completed electronically as a component of the effort certification process.

It is the responsibility of the Principal Investigator (PI) to ensure that sponsors receive the level of effort committed in accordance with the terms of the grant or contract.

For additional information and procedures regarding effort certification, see <http://www.finance.umich.edu/finops/reporting/effort> (<http://www.finance.umich.edu/finops/reporting/effort>).

II. Oversight

The university is the primary funding recipient with oversight accountability to the sponsors. As such, the university may suspend the rights and privileges of the PI or other staff if they do not adhere to the effort certification policy. For example, the university may suspend or withdraw proposal submissions for the PI and may inactivate existing Project/Grants in the accounting system. Disregard of this policy may also lead to other disciplinary actions in accordance with other university policies.

File Attachments

Printable PDF of SPG 501.10, Policy on Effort Certification (12/18)
(<http://spg.umich.edu/sites/default/files/policies/501x10.pdf>)

SPG Number:

501.10

Applies To:

All Departments and Units of the University

Date Issued:

June 1, 2005

Owner:

Office of the Executive Vice President and Chief
Financial Officer

Last Updated:

December 20, 2018

Primary Contact:

Payroll Office

Next Review Date:

December 20, 2023

Related Links:

For additional information and procedures regarding effort certification.

(<http://finance.umich.edu/finops/payroll/faculty/effort>)

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