

**POLICIES OF COLORADO STATE UNIVERSITY  
IMPACT STATEMENT**



Effort Reporting	<b>Category:</b> Research  <b>Policy ID:</b> 7-2001-016
<input checked="" type="checkbox"/> New Policy <input type="checkbox"/> Revision of Existing Policy	<b>Date Submitted:</b> DD MMM 2016
<b>Policy Proponent/Owner:</b> Vice President for Research  <b>Executive Sponsor:</b> Christa Johnson	<b>Contact(s):</b> VPR <a href="https://vprnet.research.colostate.edu/VPR/">https://vprnet.research.colostate.edu/VPR/</a>

**POLICY DESCRIPTION AND BASIS**

With the issuance of the Uniform Guidance 2 CFR 200 we have been given more flexibility, however this has also put more responsibility on Colorado State University to comply with the guidance. The primary focus of the revised time and effort requirements is that strong internal controls must exist for the reporting of salaries and wages to ensure that the payroll charged to various grants match how the actual time is spent. As one of the nation's leading research institutions, Colorado State University recognizes the importance of providing good stewardship in managing extramural funds. The University's stewardship responsibilities include complying with federal requirements to certify faculty and staff effort on sponsored projects. Support for the faculty's research goals is critical to the success of the University. The purpose of this policy is to foster excellence in research by promoting the successful management of effort and commitments throughout the sponsored project life cycle. This policy is created in order to:

- Comply with provisions of the federal Office of Management and Budget's Uniform Guidance 2 CFR 200 regarding effort certification and other relevant sponsor requirements.
- Provide clear direction to faculty and staff for determining effort when preparing proposals and subsequently verifying effort.
- Promote the best possible alignment between faculty and staff activity and funding sources and, in so doing, enhance work at CSU.
- Establish expectations for tracking and confirming the certification of effort by University personnel.

- Establish an enforcement mechanism to promote compliance which could include the inability to seek grant funding or draw on grant funding when out of compliance.

Failure to meet these requirements puts the University at risk for audit disallowances resulting in significant financial penalties. In recent years, several major universities have been assessed large penalties and/or agreed to settlements due in part to effort reporting violations: Northwestern University for \$5.5 million; University of Southern Florida, for \$4.1 million; Johns Hopkins for \$2.6 million; Harvard University for \$3.3 million; and University of Alabama Birmingham for \$3.39 million.

### **REQUIRED RESOURCES**

This policy will be implemented with the existing resources of the Office of Sponsored Programs. The Assistant Director in OSP will lead this effort. An electronic effort reporting module is proposed to be implemented and the recently hired Assistant Director for Post-Award will work with IT professionals and others at the University to implement this module as part of a comprehensive compliant Effort Reporting/Payroll Verification program, which will include revised procedures and campus-wide training.

### **ANTICIPATED IMPACTS**

Increased compliance and enhanced record keeping should alleviate significant financial and reputational risk which the University currently faces.

### **POLICY DEVELOPMENT**

Policy development will be supported by representatives from the Office of the Vice President for Research with assistance from the Office of General Counsel (OGC).

### **STAKEHOLDER INPUT**

Stakeholder input will be solicited from Deans, Directors and Department Heads, PIs, OGC, CoSRGE, CRAD, CAAG, BFS, Payroll, VPAC, and Sponsored Programs personnel.

### **ADMINISTRATIVE/MANAGEMENT/ASSESSMENT**

The policy will be administered on an ongoing basis by Sponsored Programs.

### **PROCEDURES, GUIDELINES AND FORMS**

Development and implantation of policies, guidelines and forms will be under the direction of the new Assistant Director in Sponsored Programs who will work with stakeholders and subject matter experts.

### **INTERNAL CONTROLS**

All reviews and approvals will be documented and records maintained within the Sponsored Programs record system and archive. Periodic review of the program will be developed as part

of the procedural development and outlined in written and approved Sponsored Programs standard operating procedures.

REVIEW AND APPROVAL BY THE PRESIDENT’S CABINET:

APPROVED TO PROCEED TO POLICY DEVELOPMENT

NOT APPROVED

MORE INFORMATION NEEDED:

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Lynn Johnson  
Vice President for University Operations

Date: March 28, 2017