

# Effort Reporting

**What is it and how is effort determined?**

Presented by

**Sponsored Programs Accounting**

# What is Effort Reporting?

## Required by OMB Circular A-21: Section J(2)

- It is the process of confirming that an employee's salary distribution reflects the actual effort of that employee on all university activities
- Effort should be calculated based on a reasonable estimate of the percentage of effort expended over the course of the reporting period

# How is Effort Determined?

Starts by translating  
Salary Expenses into  
Percentages

Covers all  
Institutional  
Activities

Total effort  
ALWAYS  
equals 100%

Examples provided later

**Exceptions:**  
Wage payroll and teaching  
external courses (including  
summer courses)

Regardless of hours worked



# Who is an Appropriate Certifier?

**MUST** be someone that has a “suitable means of verification that the work was performed”

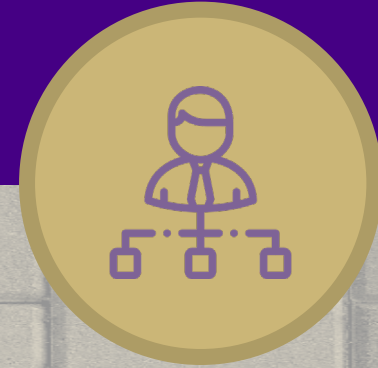


## **Employee**

Generally the  
one being paid  
by the  
university



## **Principal Investigator**



## **Employee's Supervisor**

# How is it determined? (Example I)

Example Employee	Who	Annual Salary	Monthly Salary	
	12 Month JMU Employee	\$50,000	\$4,167	=50,000/12

Employee Works on a Sponsored Award	Time Period of Work	Salary Paid by Grant
	May 16 – Aug 15 (3 months)	\$8,300

Summer Salary Breakdown	Total Salary Paid		Salary Paid by Grant	Salary Paid by JMU	
	\$12,501	=4167*3	\$8,300	\$4,201	=12501-8300

Summer Effort	Grant Effort		JMU Effort	
	66%	=8300/12501	34%	=4201/12501



# How is it determined? (Example 2)

Same scenario as before,  
but the employee receives an additional \$8,300 from the grant

**\*Note this is very rare, but does occur**

Example Employee	Who	Annual Salary	Monthly Salary	
	12 Month JMU Employee	\$50,000	\$4,167	=50,000/12

Employee Works on a Sponsored Award	Time Period of Work	Salary Paid by Grant
	May 16 – Aug 15 (3 months)	\$8,300

Summer Salary Breakdown	Total Salary Paid		Salary Paid by Grant	Salary Paid by JMU	
	\$20,801	=4167*3+8300	\$8,300	\$12,501	=20,801-8,300

Summer Effort	Grant Effort		JMU Effort	
	<b>40%</b>	=8300/20801	<b>60%</b>	=12501/20801

# What About Academic Year Faculty?

**Academic Year  
Contract**

For effort reporting purposes,  
is defined as "9 month"

**"Institutional Base  
Salary"**

While paid over a 12 month  
period, is based on 9 months  
of effort

**ERS Recalculates  
Earned Payroll**

IBS is recognized in the Fall  
and Spring semesters only –  
that is, no Departmental (IBS)  
salary is shown on the Effort  
Forms in the summer.



# 9-Month Faculty (Example 3)

Example Employee	Who	Annual Salary	Monthly Salary	
	9 Month JMU Employee	\$50,000	\$4,167	=50,000/12

Employee Works on a Sponsored Award	Time Period of Work	Salary Paid by Grant
	May 16 – Aug 15 (3 months)	\$8,300

Summer Effort	Grant Effort		JMU Effort
	100%	This is because no University Activities were required over summer	0%



# Why Does This Matter?

- Sponsored Program budgets are calculated on the percentage of time an employee will apply to the sponsored project.
- The employee is then obligated to meet the time commitment expressed by this percentage, regardless of the other commitments they may have with the University.
- Accordingly, using examples 1 and 2; if the employee promised 66% of their effort to the grant, they would have not met that commitment in Example 2 even though the grant paid the same amount of salary. (The sponsor did not receive what they were promised).

# How does the Effort Reporting System (ERS) Work?

ERS is Loaded with  
Salary Data

Data is Manually  
Adjusted

ERS Converts This  
Data to  
Percentages

For the semester (Spring,  
Summer, Fall) from the Payroll  
system

By Sponsored Programs  
Accounting to reflect other  
relevant accounting entries  
(ATV's moving salary to another  
DeptID, Retro-pay, etc.)

Based on Department ID's  
used for salary

# How Does *ERS* Work? The Employee

Receives Email  
with Link to  
ERS

Log in

Confirm &  
Certify  
Percentage(s)

SPA  
Completes  
Post-Review

\*If the employee  
received salary from a  
grant and the  
certifications are  
released by SPA

With JMU eID/password

- If the percentage(s)  
listed are reasonably  
representative of  
actual effort
- If not, enter a  
correction

- Of modified  
certifications
- This review generally  
requires accounting  
entries to adjust  
salary data to match  
the percentages  
entered



An aerial photograph of a city, likely Knoxville, Tennessee, showing a mix of urban buildings and green spaces. In the background, a range of mountains is visible under a cloudy sky. The image is faded to serve as a background for the text.

**Is There Anything Else Captured by ERS?**

**Yes – MATCHING!**  
**(Also called Cost Sharing)**

# Committed Cost Share (Matching)

**Given to The  
Sponsor**

**If Employee Time  
(Effort)**

**Not Reflected as  
Salary Expense**

As a contribution to the grant

Contribution in-kind value  
should be captured by ERS

It must be tracked in the  
University's records so it can  
be documented to the  
sponsor



# Matching Example

Example Employee	Who	Annual Salary	Monthly Salary	
	12 Month JMU Employee	\$50,000	\$4,167	=50,000/12

Employee Works on a Sponsored Award	Time Period of Work	Time Pledged
	May 16 – Aug 15 (3 months)	67%

Summer Effort	Grant Effort	JMU Effort
	67%	33%

Matching	In-Kind	
	\$8,375	=4167 * 3 months * 67%



# What Should You Take From This?

- 1) It is important to document the amount of time you spend on your JMU activities so you have basis to support your effort certifications.
- 2) It is important to submit any paperwork (PAR forms or ATV's) promptly to ensure all salary adjustments are included in the ERS calculations.
- 3) If you provided Match to a grant (but no salary from a grant), you may contact SPA and request a Certification to document this match for that semester.
- 4) Someone with 'suitable means of verification' must certify. (They should keep records as well!)



A close-up photograph of a purple stone wall with a grid-like pattern of mortar joints.

# Contact

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A close-up photograph of a yellow stone wall with a grid-like pattern of mortar joints.

# Sponsored Programs Accounting