

Effort Certification Guide: Tips, Examples, and Common Scenarios

Purpose

This guide supplements the Effort Certification FAQ by providing additional context, examples, and recommendations to help Principal Investigators (PIs), research administrators, and financial managers avoid common effort certification issues.

Understanding Effort Certification

Effort certification is the process of confirming that salary charged to a sponsored project reasonably reflects the work performed during the certification period.

Because effort certification is based on payroll charges that have already posted to the financial system, correcting payroll issues after the close of a quarter may create challenges for accurate effort reporting.

The best approach is to proactively monitor payroll activity throughout the quarter through monthly grant and payroll reconciliation and address issues as they arise.

Understanding Quarterly Reporting Periods

Effort certification occurs quarterly. Personnel and payroll transactions are reported within the quarter in which they are posted.

Quarter	Period
Q1	July - September
Q2	October - December
Q3	January - March
Q4	April - June

Cost Transfers and Quarterly Effort Reporting

- **Why timing matters**
 - Payroll cost transfers directly affect effort calculations.
 - If a payroll correction is completed after a quarter has ended, the correction may appear in a different quarter than the original payroll transaction. This can result in inaccurate effort calculations for both quarters.
- **Example:** An employee's September salary should have been charged to Grant A but was charged to Grant B.

Correct approach:

- Payroll correction completed before September month-end close
- Transaction remains in Q1
- Effort reflects actual work performed

Problematic approach:

- Payroll correction processed in October
 - Adjustment appears in Q2 instead of Q1
 - Q1 and Q2 effort percentages may both be inaccurate
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What Is Month-End Close?

Month-end close is the accounting process in which financial transactions are reviewed, reconciled, and finalized before sponsor invoicing and financial reporting occur.

Because effort calculations depend on finalized payroll data, corrections affecting the final month of a quarter should be completed before month-end close whenever possible.

The final months of each quarter are:

- September
- December
- March
- June

Departments should monitor communications from Finance for specific month-end close deadlines.

Preparing for the End of a Quarter

The final month of a quarter often provides limited time to identify and correct payroll issues.

Recommended Best Practices

1. **Review payroll regularly:** Review payroll activity throughout the quarter rather than waiting until effort certification begins.
2. **Run PDRs before month-end:** Begin reviewing Personnel Detail Reports (PDRs) during the final week of the month whenever possible. You will not be able to run the Monthly Detail Reports (MDRs) for the last month in a quarter since MDRs are produced after month-end close.

Early review provides time to:

- Identify incorrect funding sources
- Verify payroll distributions
- Submit necessary corrections
- Coordinate with post-award staff

3. **Follow PAFs through the approval process:** Submitting a Personnel Action Form (PAF) is only the first step.

Departments should verify that:

- The PAF has routed successfully
- Required approvals have been obtained
- The personnel change has been processed

Many effort issues originate from delayed or incomplete personnel actions.

Understanding Payroll Funding Issues

Sometimes salary charges may post incorrectly because:

- A grant budget does not contain sufficient salary funding
- A project has ended
- A funding source is unavailable
- A personnel action was delayed or missing

When this occurs, payroll may default to another funding source and require correction.

Your post-award administrator can help determine:

- Why a charge posted incorrectly
 - Whether a correction is needed
 - Whether a transfer has already been processed
 - Whether additional actions are required
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Using At-Risk Spending to Avoid Payroll Corrections

A common source of payroll corrections occurs when a project is awaiting:

- A continuation award
- Supplemental funding
- A no-cost extension
- Other sponsor actions

Instead of moving personnel to temporary funding sources and later performing cost transfers, consider submitting an [At-Risk Spending Request](#).

Benefits include:

- Continuous funding for project personnel
 - Fewer payroll corrections
 - Reduced administrative burden
 - More accurate effort reporting
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Working with Department Administrators and Financial Managers

Although departmental administrators and financial managers cannot certify effort on behalf of a PI, they are valuable partners in the review process.

Department staff can often assist by:

- Reviewing payroll distributions
- Identifying discrepancies
- Running reports
- Gathering documentation
- Communicating with ORSD and post-award staff

However, the final certification responsibility remains with the PI.

Viewing Salary Information in Project Effort

Project Effort displays an employee's complete salary distribution across funding sources.

This design supports compliance requirements and allows PIs to understand how effort is distributed among sponsored projects.

Understanding an individual's total sponsored effort helps ensure:

- Commitments are reasonable
- Effort is not overcommitted
- Salary charges align with work performed

Funding from non-sponsored sources is consolidated and does not disclose individual departmental accounts.

Common Causes of Effort Certification Delays

The most common issues include:

- Delayed PAF processing
- Payroll funding errors
- Late cost transfers
- Pending award modifications
- Outstanding no-cost extensions
- Incomplete review of payroll activity
- Waiting until effort certification begins to identify problems

Many of these issues can be avoided through routine payroll monitoring and proactive communication with post-award staff.

Keys to Success

To ensure smooth effort certification:

- ✓ Review payroll throughout the quarter.
- ✓ Submit PAFs as early as possible.
- ✓ Confirm personnel action forms are fully approved and processed.
- ✓ Review PDRs and MDRs before quarter-end and at least monthly.
- ✓ Work with your post-award administrator to resolve issues promptly.
- ✓ Use At-Risk Spending Requests when sponsor actions are pending.
- ✓ Do not certify effort until records accurately reflect the work performed.
- ✓ Contact RISGA immediately if corrections are needed.