



Time & Effort Reporting 101



Session Rules of Etiquette



💧 Please mute your telephones



Agenda

- Basics of Effort & Sponsored Projects
- Effort Certification Requirements
- Frequency of Certification
- Process Flows
- Guidelines & Policies

What is Effort?

Effort is the amount of time that is spent on an activity expressed as a percentage of Total Institutional Activities for which an individual is compensated by MSM.

Effort Includes

MSM job duties that relates to:

- ◆ Instruction
- ◆ Administration
- ◆ Research
- ◆ Service as a member of a committee or government body
- ◆ Public service and outreach



And what is a Sponsored Project?

A sponsored project is activity that is funded by a grant, contract, or cooperative agreement under which there is a scope of work, a specific budget, and specified terms and conditions.

Activities that are allocated through a sponsored project may include:

- ◆ Writing progress report
- ◆ Holding a meeting with lab staff
- ◆ Presenting research results at a scientific conference



Why we report effort

We Report Effort To:

- ◆ To comply with federal regulations
 - ◆ **OMB Circular A- 21**
- ◆ To reduce risk from audit disallowance and loss of federal funding

Effort Reporting Verifies:

- ◆ Appropriate salary expense, which is the largest component of direct costs sponsored project
- ◆ Cost Sharing (Mandatory and Voluntary Committed) was performed as promised.

Requirement for effort reporting are defined in OMB Circular A-21
Guidelines for Cost Allowability for Educational Institutions

Certification is REQUIRED

- ◆ Federal Regulation to maintain compliance
 - ◆ Not signing is a violation of our agreement with the sponsor and our federal cognizant agency
 - ◆ Late certification is a violation of MSM policy, a federal compliance requirement



Recent Institutional Audits & Fines

Due to intense scrutiny, federal agencies have stepped up auditing of effort reporting (and other items) on federal grants.

Resulting in many fines...

2007	\$ 7.6 M	Yale University –Effort Reporting
2006	\$2.5 M	UConn- Excessive compensation
2005	\$ 6.5 M	Mayo Clinic -& improper cost transfers
2004	\$3.3 M	Harvard -Billing for unrelated salaries
2004	\$2.6 M	Johns Hopkins -Faculty time & effort overstated
2003	\$5.5 M	Northwestern –faculty effort reporting

Who needs to Certify Effort

Any person paid (or with a commitment) on a sponsored award must certify that the salary paid (or the commitment) is reasonable in relation to the effort (actively) devoted to the award.



Roles and Responsibilities

Pre-Reviewer (Administrator)

- Review generated effort reports, prior to the employee being notified that effort are available.

Certifier (Employee)

- Certifies the effort reports. Each employee that works on a sponsored project will certify their own effort.

Post-Reviewer (PI)

- Post-Reviewer (PI) : Someone other than the employee that is allowed to certify the employee's effort.

Alternate Certifier

Conditions for an Alternate Certifier:

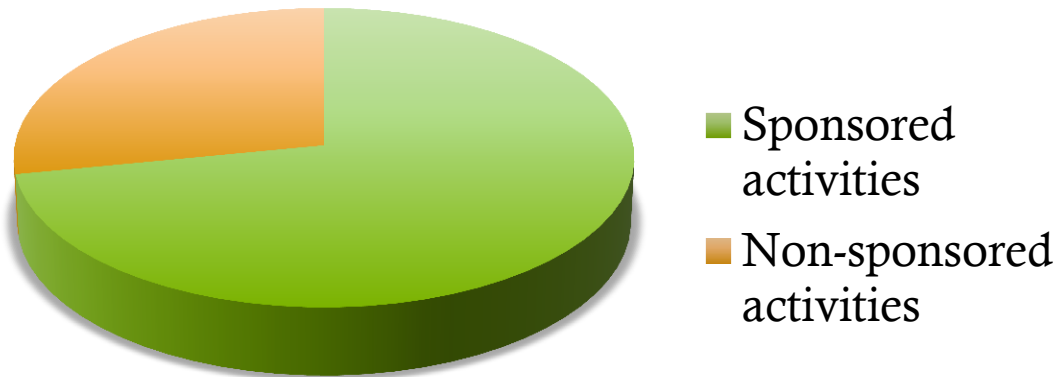
- The employee is out of the country
- The employee is ill
- The employee is on a leave of absence

Only the PI **AND** the
Dept. Chair may sign
on behalf of the
Employee



How is Effort Determined?

$$\text{Total Effort} = \sum (\text{MSM Activities})$$



Consulting and outside, professional activities, are excluded from the basis for 100% effort

Cost Sharing

If a quantified cost sharing commitment is made in the proposal, at the time of the award it becomes committed cost sharing whether mandatory (required by sponsor) or voluntary. Cost sharing that is committed and budgeted for in a sponsored agreement, is included in Non-Sponsored effort and is reportable.

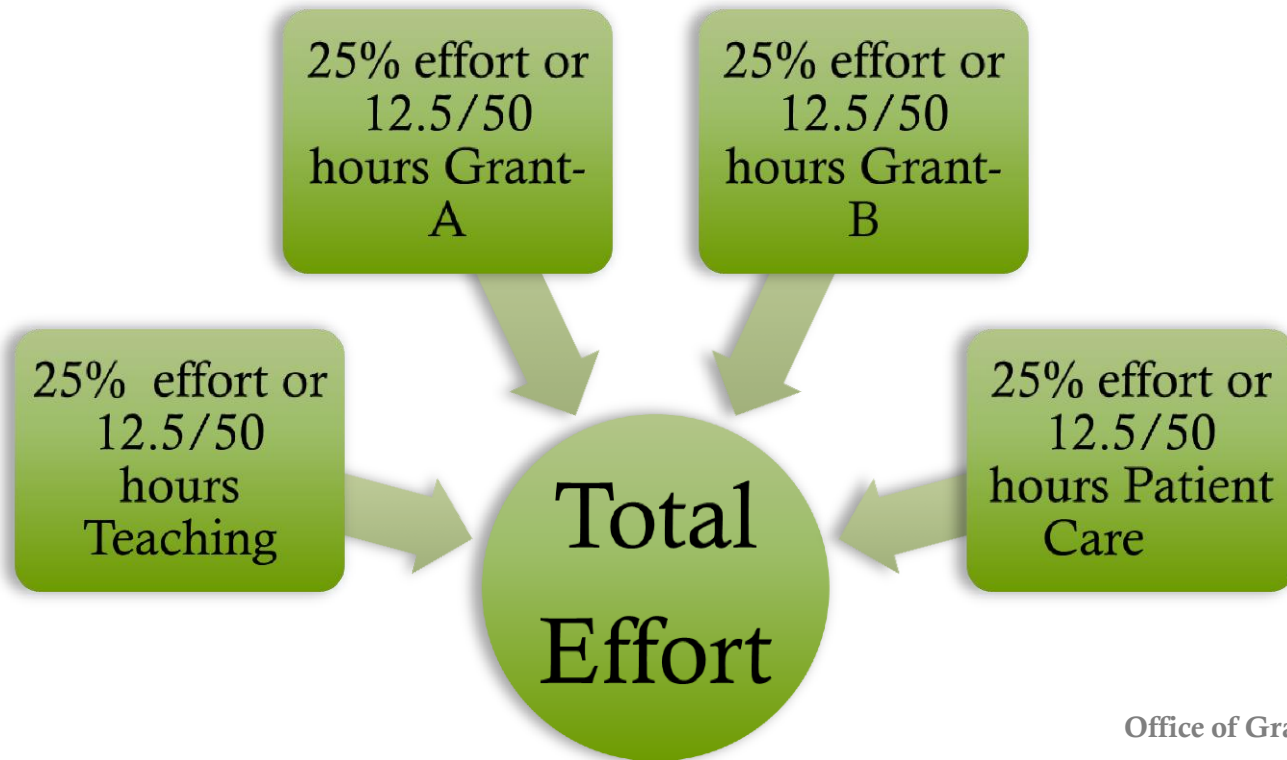
Example:

Dr. Smith has committed 5% of her effort at no charge to the project to adviser PI Joe Doe.

- ◆ Therefore: 5% of Dr. Smith's salary, paid by a non sponsored account, must be cost shared to the project.

Example Please?

If an individual worked an average of 50 hours/week and divided his/her effort equally amongst four tasks, such as teaching, conducting research on two grants (Grants-A and Grant-B), and patient care responsibilities, this individual's effort would be:



Example #2

If an individual worked an average of 30 hours/week and the same four tasks were equally distributed, the effort would be calculated as follows:



When to Certify

MSM has 12 effort reporting periods (coinciding with month-end close)

Each time an effort is certified, it is for a specific period of performance.

- 💧 Review salary charges throughout certification period.
- 💧 Certify effort within five (5) business of notification that Banner eCert is open for the period.

Effort Certification Reporting Non-Compliance:

If effort certifications are not certified within the prescribed timelines, compliance notifications will be issued as follows:

- 💧 1st – Sent after three (3) business days to the employee, PI and department administrator;
- 💧 2nd – Sent after five (5) business days to the employee, PI, department administrator, Department Chair and the Office of Compliance;
- 💧 3rd – Sent after seven (7) business days to the employee, PI, department administrator, Department Chair, the Office of Compliance and the Dean; and
- 💧 4th – Sent after ten (10) business days to the employee, PI, department administrator, Department Chair, the Office of Compliance, the Dean and the President.

Points to Remember

- ◆ Effort reporting is under intense scrutiny by the Office of Investigator General, NIH, and other Federal Agencies
- ◆ ‘Research Support’ and ‘Other Support’ sections of Federal grant applications require full disclosure of *all* research resources
- ◆ The individual is responsible for certifying his/her own effort
- ◆ The PI is responsible for knowing who has certified effort to his/her project
- ◆ Effort reporting tracks the actual expended activity on projects and should not just simply mimic budgeting amounts
- ◆ Erroneously certifying effort can be viewed as fraud
- ◆ Sanction can apply to both the institution *and* the individual

Current Red Flags Issues



Lack of timely effort reports



Effort certified by those without first-hand knowledge of all effort



Unauthorized individual certifying effort



PI with greater than 90% effort on federal grants



PIs with large number of simultaneous projects



Significant number of re-certifications

Helpful resources to look forward to..

- ◆ Policies and Guidelines on Effort Certification
- ◆ Answers to frequently asked questions
- ◆ Role based training webinars
- ◆ Robust management reports to monitor the effort process i.e. cognos reports



End User View How to Certify

SSB View



Office of Grants &
Contracts