Effort Reporting

On December 26, 2014, the Office of Management and Budget (OMB) issued the "Uniform Administrative Requirements, Cost Principles and Audit Requirements, "a/k/a the Uniform Guidance ("UG"), which requires an after-the-fact review for salaries and wages on grants and contracts. At RU, this required after-the-fact review is carried out through the effort reporting process described on this website. More information about the UG is available at http://www.rockefeller.edu/sr-pd/index.php?page=UniformGuidance.

The Effort Reporting System documents the distribution of salaries and wages charged to external funding sources. The compliance office is responsible for the following functions:

- Generation, distribution and collection of all effort and time certification reports.
- Periodic maintenance and account reconciliation to ensure consistency among the Integrated Administrative System (IAS), the Payroll and the Effort Reporting System (ERS).
- Monitoring and recording laboratory cost sharing activity.
- Generation of summary reports to identify indirect costs and assisting in the preparation of indirect cost proposals.

The University already maintains the UG's continued focus on "review after-the-fact" for salaries and wages on grants and contracts. The primary objective of the UG's audit requirement is to strengthen the requirements for institutions to maintain high standards of internal controls and that this reporting system is presented fairly, in accordance with generally accepted accounting principles.

Time reports are sent to laboratory non-faculty personnel and effort reports are sent to laboratory faculty on a semiannual basis for certification.

Key Concepts and Terms

Full workload (100% Effort) and Institutional Base Salary (IBS)
An employee's total University-compensated activity constitutes 100% of the employee's effort regardless of the time required to accomplish those activities.

Estimating Effort and Apportioning Salaries
In estimating effort, apportioning salaries and in reviewing/certifying effort, the University uses the following UG § 200.430 (i) as guidance:

> "It is recognized that teaching, research, service, and administration are often inextricably intermingled in an academic setting. When recording salaries and wages charged to Federal awards for Institution of Higher Education (IHEs), a precise assessment of factors that contribute to costs is therefore not always feasible, nor is it expected."

Principles of Committing Effort to Sponsors
The committed effort to the award sponsor must be met in accordance with the sponsor's regulations. Key principles in proposing effort are:

Minimum Effort – In general, the Principal Investigator (PI) and key personnel are expected to commit a reasonable amount of effort (i.e. greater than 0%) for each sponsored award. For specific types of sponsored awards, such as career development awards (Federal "K"), higher minimum commitments are required.

Other Personnel Effort – In sponsored award proposals, the PI should propose effort which is consistent with the description of the individual's role on the project. Effort for *other significant contributors* is listed "as needed" and is not considered committed effort.

Maximum Allowed Effort on Sponsored Awards –It is expected that Faculty/HOLs and staff with University responsibilities for teaching, administration or patient care cannot logically commit a full 100% of their time to sponsored awards. Faculty committed effort is not expected for equipment and instrumentation grants, doctoral dissertation grants, student augmentation grants, and individual fellowships.

Voluntary Cost Share of Effort – The University discourages voluntary cost sharing (except in the case of HOLs) and expects the sponsors to bear the full cost of the award.

Sponsored Imposed Salary Cap and Effort – The effort associated with any salary above a sponsor imposed salary cap is considered mandatory cost share of effort and should be considered a part of the employee's 100% effort.

Committed Effort during the No-Cost Extension Time Period – Care must be taken to comply with the committed effort as stated in the terms and conditions of the sponsored award during the no-cost extension time period. Specific funding agency guidelines should be consulted for additional guidance on sponsors' expectations with respect to changes in effort.

Effort and Requesting Salary Support in Sponsored Award Proposals

Estimating Effort in Proposals – The nature and complexity of the project should be considered when proposing faculty and staff. Proposed effort should also be reasonable in relation to employees other university compensated activities.

Requesting Salary Support – Unless sponsor regulations state otherwise, the amount of salary support requested is determined by multiplying the proposed level of effort by the Institutional Base Salary. The PI should request a commensurate amount of salary funding to the extent allowed by the sponsor. Non-sponsor effort is considered a commitment of effort.

Managing Committed Effort on Sponsored Awards

Committed Effort upon Award Receipt – At the time of award the PI should assess whether the proposed effort remains reasonable based on his/her other University compensated activities. The PI and other key personnel of each award must meet the level of effort committed in the awarded terms and conditions.

Reduction of Effort Commitments – At the time of award and during the life of the award, the PI must obtain University and sponsor prior approval for absences or significant (25% or more) reduction of the PI or other Key Personnel's effort.

Frequently Asked Questions

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1. **What is effort reporting?**
   - Each employee is recognized as having 100% effort contributed to the various functions he/she performs for the University. Effort reporting is the distribution of that 100% to these various functions.

2. **Why do we certify effort?**
   - The federal government regulations posted in the UG require "Standards for Documentation of Personnel Expenses" a/k/a effort reporting to support salary charges posted to federal grants.

3. **When do we certify effort?**
   - Effort certifications are performed twice a year, for the 6 month periods *January through June* and *July through December*. Percentages shown on effort reports are averaged over the 6 month period.

4. **What time is included in 100% effort?**
   - 100% effort includes total time conducting University business regardless of actual hours worked. This includes all work conducted while on vacation, after-hours, or off-campus.

5. **How exact are my effort calculations expected to be?**

- Exact calculations of effort are not expected; rather employees should provide their most reasonable estimate of the average effort devoted to any activity where they spent 1% or more of their RU effort.

6. What is cost sharing?
- Cost sharing is most often represented as an institution's financial contribution toward a sponsored project. There are three types of cost sharing: mandatory, voluntary, and voluntary uncommitted. Also related to cost sharing are salary caps and K awards.

7. How do I calculate cap cost sharing?
- Cap cost sharing = $\frac{(Salary - Cap)}{Salary}$ x Effort

Prior to any salary distribution, the Finance Office will adjust any over-the-cap employee's salary allocation among federal awards.

8. I have an NIH K award. How should I manage my effort?
- Research supported by K awards is limited by the scope of the proposal. If a researcher undertakes new projects where the scope overlaps that of the K award, effort supported by the K award may be used to work on the other related projects. Support for research that doesn't overlap with the scope of the K award must come from a non-federal source. Generally K awards prohibit additional federal salary support except for late stage additional grants allowed by some K awards.

9. Who is allowed to sign the effort certification report?
- The employee, principal investigator, or responsible official are allowed to sign an effort report using suitable means of verification that the work was performed.

10. What happens if I don't complete the certification?
- All faculty members are required to certify, and to do so within the timeframe specified by the University. Failure to satisfy this requirement may result in inactivation of current sponsored projects, the refusal to allow proposals to be submitted to sponsors and, if deemed necessary, removal of charges to sponsored projects for those individuals with uncertified effort.