

# Effort Reporting

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OFFICE OF SPONSORED PROJECTS

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## Agenda

- Effort Reporting Process
  - What, Why, Who, When & How
- Key Concepts
- Audits and Compliance
- Best Practices

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# Effort Reporting Process

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## What is Effort?

Effort is a 'reasonable estimate' of time dedicated to professional activities related to the individual's appointment

- This includes teaching, research, and administration

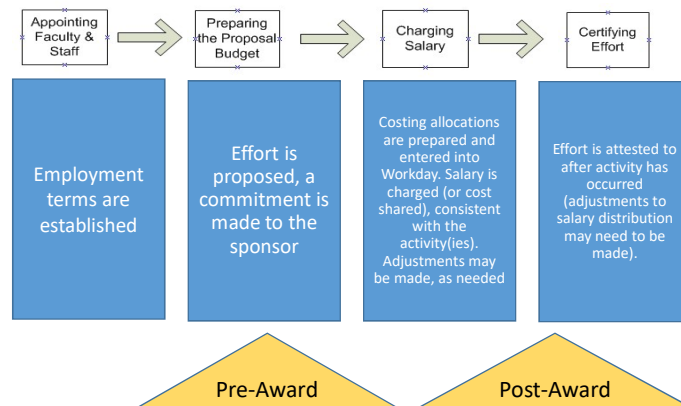


- Effort is based on the percentage of total hours worked and not on the Brown University standard 37.5 hour work week.
- It is always expressed as a percentage **NOT** hours.
- Total effort must always equal 100% of the time allocated across all activities.
- Effort does not include activities occurring outside of Brown.

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## The Effort Reporting Workflow

The effort reporting process includes more than just certifying effort



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## What is Effort? : Example #1



A PI has a 12-month appointment. Her weekly academic duties include: serving as a PI on one sponsored project, teaching, and providing service on a Brown committee (IRB). Additionally, she holds a leadership role in professional societies and presents/lectures at an institution outside of Brown.

Which portions of the PI's duties should **not** be considered as part of her '100%' effort?

1. Leadership role with professional societies
2. Service she provides to Brown's IRB committee
3. All teaching activities
4. Leadership role w/professional societies; presentations/lectures at an institution outside of Brown

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## What is Effort? : Solution for Example #1



4. Leadership role w/professional societies; presentations/lectures at an institution outside of Brown.

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## What is Effort? : Example #2



From July through December 2022, Professor Jones estimated that, on average, she worked approximately 6 days/week on the following:

- 2 days/week on Grant A
- 2 days/week on Grant B
- One day/week teaching undergraduate students in a class unrelated to her research activity
- A few hours each week providing oversight on Dr. Lee's grant (Grant C). [Assumption: a few hours = 5% effort]
- The remaining time was spent working on new research areas, proposal development and administration

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## What is Effort? : Example # 2 (Worksheet)

What would be a reasonable estimate of effort for Professor Jones on her effort report? (assume that a few hours = 5%)

| <u>Activity</u>  | <u>Effort %</u> |
|--|-----------------|
| Sponsored Activities:  |                 |
| Grant A  | _____           |
| Grant B  | _____           |
| Grant C  | _____           |
| Sub-Total Sponsored Activities:  | _____           |
| Other University Activities<br>(teaching, administration,<br>proposal preparation, etc.) | _____           |
| Total  | _____           |

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## What is Effort? : Solution to Example # 2

Effort Report for Professor Jones

| <u>Activity</u>   | <u>Effort %</u>                        |
|---|--|
| Sponsored Activities:   |  |
| Grant A   | 33% $2/6 = 33\%$                       |
| Grant B   | 33% $2/6 = 33\%$                       |
| Grant C   | 5% <i>a few hours/week-estimate 5%</i> |
| Sub-Total Sponsored Activities  | <u>71%</u>                             |
| Other University Activities<br>(teaching, administration,<br>proposal preparation, etc) | <u>29%</u>                             |
| Total   | <u>100%</u>                            |

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## Effort Certification: Why is it Important?

- Required by the Federal regulation: Uniform Guidance (UG)
- Ensures government funds are being spent responsibly
  - Documents that effort commitments have been met
  - Provides support for salary charged to grants & contracts
- Has received much audit attention over the past years



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## Federal Regulation- Uniform Guidance: Impact/Implications

- The general principles of time and effort apply
  - Institutions have the ability to implement independent practices for certifying time and effort as long as they follow the federal guidelines.
- Institutions have flexibility to determine the frequency of their effort reporting procedures that is best aligned with their institutional calendar and policies and procedures.
  - Processes must reflect “after-the-fact” review of charges or budget estimates
- Standards for documentation and who certifies effort reports have greater flexibility; however, the principle remains the same:
  - Institutions must have “records that accurately reflect the work performed”



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## Brown University's Position on Implementing Effort Reporting Policy

- Accurate effort planning and confirmation is critical for federal and state government, private foundation, organization, and industry funds expended on salaries and wages.
- Effort certification is required by Federal regulations (Office of Management and Budget's Uniform Guidance) for all compensation costs charged to federal sponsored awards. In order to be compliant with these regulations, the University is required to have a system in place for certifying the allocation of salaries and wages associated with sponsored projects.



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## Who Is Involved in the Effort Process?

- OSP Effort Certification Administrator (ECA) –  
Manage the effort certification process for the University
- Effort Certification Partners (ECP) -  
Perform the Administrative Review of effort certifications for faculty, staff, and graduate students
- Cost Center Managers -  
Perform the Administrative Review of effort certifications for undergraduate students
- Principal Investigators/Faculty -  
Performs secondary review of certifications for themselves and all students and certify the effort reports

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## Who Should Certify Effort Reporting?

Responsible persons with suitable means of verification that the work was performed.

At Brown University:

- Faculty must certify their own effort.
- Principal investigators certify student effort.
- For all other employees, effort reports must be certified by the individual employee.

Administrators/ECP's are not certifiers. Their role is to assist with reviewing and adjusting %'s if necessary.

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## When Are Certifications Required?

Frequency...

- Quarterly - Non-exempt and undergraduates
- Semi-Annually - All other employees and graduate students

At Brown, effort reports must be certified within **60\*** days of the report being generated by OSP.

- Exceptions - if you are going to be late, please complete an extension request form which will be evaluated for approval by OSP-Managing Director.
- Consequences for Delinquency – audit findings, future funding, disallowed costs, notification to department chair.

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## How is Effort Certified?

- Effort is tracked and certified in Workday using the following steps:
  1. Dept prepares costing allocation
  2. Effort Certification Administrator (ECA) generates effort reports (ECR) following a predetermined schedule (please see website for schedule)
  3. ECR routes to Effort Certification Partner (ECP) or Cost Center Manager (CCM) to review and confirm effort with certifier and make necessary changes.
  4. ECP/CCM approves effort report and report automatically routes to the certifier (i.e. PI, faculty)
  5. Certifier reviews effort report for accuracy and certifies.

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Non-Exempt Employees for Bird, Earl E. (000123) for 09/25/2022 - 01/31/2023

Details

Effort Certification Status: In Progress

Changed Status: Unchanged

Summary

Summary 2 Items

| Effort Certification Summary       |                            |   |   |  |
|------------------------------------|----------------------------|---|---|--|
| Worktags                           | Certified Amount Estimated | Certified Percentage of Group Estimated | Certified Percentage of Total Estimated |  |
| FF10 Sponsored Activity            | 6594.03                    | 75.0%                                   | 75.0%                                   |  |
| FF500 Sponsored Grants & Contracts | 2017.98                    | 25.0%                                   | 25.0%                                   |  |
| <b>Total</b>                       | <b>8612.01</b>             | <b>100.0%</b>                           | <b>100.0%</b>                           |  |

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MENU

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Q Search

Non-Exempt Employees for Bird, Earl E. (000123)for 09/25/2022 - 01/31/2023

Details

Effort Certification Status  
In Progress

Changed Status  
Unchanged

Summary

Aggregate

Details

Positions

Organizations

Process History

3 Items

| Award  | Sponsor Award Reference Number | Sponsor   | Grant     | Fund                               | 09/25/2022 - 10/06/2022 (8-weekly)     |                                       | 10/09/2022 - 10/20/2022 (8-weekly)     |                                       | 10/23/2022 - 11/05/2022 (8-weekly)     |                                       | 11/06/2022 - 11/19/2022 (8-weekly)     |                                       | 11/20/2022 - 12/03/2022 (8-weekly)     |                                       | 12/04/2022 - 12/17/2022 (8-weekly)     |                                       | 12/18/2022 - 12/31/2022 (8-weekly)     |                                       |
|--------|--------------------------------|---|-----------|------------------------------------|--|---------------------------------------|--|---------------------------------------|--|---------------------------------------|--|---------------------------------------|--|---------------------------------------|--|---------------------------------------|--|---------------------------------------|
|        |                                |   |           |                                    | Effort Certification Percent Estimated | Effort Certification Amount Estimated | Effort Certification Percent Estimated | Effort Certification Amount Estimated | Effort Certification Percent Estimated | Effort Certification Amount Estimated | Effort Certification Percent Estimated | Effort Certification Amount Estimated | Effort Certification Percent Estimated | Effort Certification Amount Estimated | Effort Certification Percent Estimated | Effort Certification Amount Estimated | Effort Certification Percent Estimated | Effort Certification Amount Estimated |
| 001234 | 5901N0378179-10                | National Institute of Neurological Disorders and Stroke | GR1234567 | F2500 Sponsored Grants & Contracts | 75.00%                                 | 446.67                                | 74.90%                                 | 861.45                                | 75.00%                                 | 1,252.27                              | 75.00%                                 | 402.63                                | 75.00%                                 | 1,362.95                              | 75.00%                                 | 638.10                                | 75.00%                                 | 1,028.94                              |
| 002345 | 5901N0117068-03                | National Institute of Neurological Disorders and Stroke | GR2345678 | F2500 Sponsored Grants & Contracts | 25.00%                                 | 148.89                                | 25.10%                                 | 287.14                                | 25.00%                                 | 417.43                                | 25.00%                                 | 154.21                                | 25.00%                                 | 454.64                                | 25.00%                                 | 212.70                                | 25.00%                                 | 342.97                                |
| Total  |                                |   |           |                                    | 100.00%                                | 595.56                                | 100.00%                                | 1,148.59                              | 100.00%                                | 1,669.70                              | 100.00%                                | 616.84                                | 100.00%                                | 1,818.59                              | 100.00%                                | 850.80                                | 100.00%                                | 1,371.93                              |

Details

Effort Certification Status  
In Progress

Changed Status  
Unchanged

Summary

Aggregate

Details

Positions

Organizations

Process History

Viewing

Click here to sort

09/25/2022 - 10/06/2022 (8-weekly)

Period 09/25/2022 - 10/06/2022 (8-weekly)

4 Items

| Period                             | Grant | Payroll   | Costing  | Original Amount | Original Percent | Change Reason | Certified Amount Estimated | Certified Percent Estimated |
|------------------------------------|-------|---|--|-----------------|------------------|---------------|----------------------------|-----------------------------|
|                                    |       |   |  |                 |                  |               |                            |                             |
| 10/09/2022 - 10/22/2022 (8-weekly) |       | Employee: [redacted]<br>Job Profile: Research Assistant 1 - Biology and Medicine<br>Pay Group: Bi-Weekly<br>Position: POS275972 Research Assistant                            | Cost Center: CC40355 Neuroscience<br>Expense Purpose Code: 1210 Sponsored Research - Federal Sponsor<br>Fund: F2500 Sponsored Grants & Contracts<br>Grant: [redacted]<br>Location: Sidney E. Frank Hall for Life Sciences                                      |                 |                  |               |                            |                             |
| 10/23/2022 - 11/05/2022 (8-weekly) |       |   |  |                 |                  |               |                            |                             |
| 11/06/2022 - 11/19/2022 (8-weekly) |       |   |  |                 |                  |               |                            |                             |
| 11/20/2022 - 12/03/2022 (8-weekly) |       |   |  |                 |                  |               |                            |                             |
| 12/04/2022 - 12/17/2022 (8-weekly) |       | Earning: Regular Hourly<br>Employee: [redacted]<br>Job Profile: Research Assistant 1 - Biology and Medicine<br>Pay Group: Bi-Weekly<br>Position: POS275972 Research Assistant | Business Unit: BU7010 AMS-Biology<br>Cost Center: CC40355 Neuroscience<br>Expense Purpose Code: 1210 Sponsored Research - Federal Sponsor<br>Fund: F2500 Sponsored Grants & Contracts<br>Grant: [redacted]<br>Location: Sidney E. Frank Hall for Life Sciences | 366.91          | 61.6%            |               | 366.91                     | 61.6%                       |
| 12/18/2022 - 12/31/2022 (8-weekly) |       |   |  |                 |                  |               |                            |                             |
|                                    |       | Earning: Sick Time<br>Employee: [redacted]  | Business Unit: BU7010 AMS-Biology<br>Cost Center: CC40355 Neuroscience   | 79.76           | 13.4%            |               | 79.76                      | 13.4%                       |

Non-Exempt Employees for Bird, Earl E. (000123) for 09/25/2022 - 01/31/2023

Details

Effort Certification Status: In Progress

Changed Status: Unchanged

Summary Aggregate Details **Positions** Organizations Process History

Positions: 1 item

| Position                                       | FTE  |
|--|------|
| POS27972 Research Assistant (Close 02/01/2023) | 100% |

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Non-Exempt Employees for Bird, Earl E. (000123) for 09/25/2022 - 01/31/2023

Details

Effort Certification Status: In Progress

Changed Status: Unchanged

Summary Aggregate Details Positions **Organizations** Process History

Organizations: 4 items

| Organization                               | Organization Type    | Organization Subtype |
|--|----------------------|----------------------|
| BU7010 AMMS Biology                        | Business Unit        |                      |
| CC40205 Neuroscience                       | Cost Center          | Cost Center          |
| 1000 Instruction and Departmental Research | Expense Purpose Code | Purpose Code         |
| FD100 General Operating                    | Fund                 |                      |

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Non-Exempt Employees for **Bird, Earl E. (000123)** for 09/25/2022 - 01/31/2023

Details | Effort Certification Status: In Progress | Changed Status: Unchanged

Summary | Aggregate | Details | Positions | Organizations | **Process History**

Process History 7 items

| Process              | Step                          | Status          | Completed On           | Due Date   | Person (Up to 5)   | All Persons | Comment |
|----------------------|-------------------------------|-----------------|------------------------|------------|--|-------------|---------|
| Effort Certification | Effort Certification          | Step Completed  | 01/09/2023 03:58:22 PM | 02/08/2023 | Gilbert, Alexandra (445093)                                | 1           |         |
| Effort Certification | Administrative Review         | Not Required    |                        | 02/08/2023 |  | 0           |         |
| Effort Certification | Negative Routing              | Not Required    |                        | 02/08/2023 |  | 0           |         |
| Effort Certification | Administrative Review         | Not Required    |                        | 02/08/2023 |  | 0           |         |
| Effort Certification | Administrative Review         | Submitted       | 01/17/2023 02:52:04 PM | 01/23/2023 | Continuing existing process (Effort Certification Partner) | 1           |         |
| Effort Certification | Worker Terminated Mid Process | Not Required    |                        | 02/08/2023 |  | 0           |         |
| Effort Certification | Certify Effort Certification  | Awaiting Action |                        | 01/22/2023 | 1 (Employee As Self)                                       | 1           |         |

## Key Concepts



## Important Concepts to Consider

- Institutional Base Salary (IBS)
- Cost Shared Effort
- Summer Salaries
- Salary Caps

*important*

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## Institutional Base Salary (IBS)

### **IBS Definition**

Total guaranteed annual compensation an individual receives from Brown University. The IBS shall be used to compute salaries charged to National Institute of Health (NIH) Sponsored Programs. IBS includes an individual's academic-year salary as well as any stipend received from performing other administrative duties, whether as a center director, department chair, or program director.

Note: Institutional research funds taken in lieu of compensation are not included in the calculation of IBS.



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## Institutional Base Salary (IBS) : (Continued)

### **Academic Year Salary vs. Administrative Stipends**

- Administrative appointments are made on an annual basis, the stipend is considered compensation for responsibilities executed throughout the full year.
- By contrast, compensation for academic appointments is for work done during the 9-month, 10-month, or 12-month academic year.
- **IMPORTANT CONSIDERATION:**  
When charging a portion of monthly effort to research grants, a monthly salary should be computed as one-ninth of the academic-year salary (or one-tenth, for ten-month appointments) plus one-twelfth of the administrative stipend.

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## Institutional Base Salary : Example # 1

The department chair of Mathematics has a nine-month academic appointment of \$135,000 and receives an administrative stipend of \$12,000. The total monthly salary is calculated as follows:

$$\$135,000/9 + \$12,000/12 = \$15,000 + \$1,000 = \$16,000$$

In this example, \$1,000 of the \$16,000 monthly salary is provided by the University for administrative work (including in summer months). Therefore, the maximum that may be charged to sponsored funding in any month is \$15,000.



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## Institutional Base Salary : Example # 2

The department chair of Biology has a ten-month academic appointment of \$115,000 and receives an administrative stipend of \$18,000. The total monthly salary is calculated as follows:

$$\$115,000/10 + \$18,000/12 = \$11,500 + \$1,500 = \$13,000$$

In this example, the monthly salary of \$13,000 includes a stipend of \$1,500. The maximum that may be charged to sponsored funding is therefore \$11,500.



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## IBS : Restrictions

The monthly amount that a chair or director may charge to a grant is subject to several restrictions:

- To reach 100% effort, total compensation from all sources should not exceed the monthly salary (one-ninth or one-tenth of academic salary plus one-twelfth of stipend).
- It must correspond to the actual percentage of effort expended on work related to the grant. This generally implies that it should not exceed 90% of the monthly salary, unless the chair or director provides a memo to the Dean of the Faculty or the Dean of Medicine and Biological Sciences (with a copy to the Office of Sponsored Projects) explaining the particular circumstances leading to reduced administrative effort for the month in question.
- It must fall within any salary cap imposed by the granting agency.

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## Cost Shared Effort

### Definition

A commitment of Brown University's resources/funding that supplements externally sponsored projects. Occurs when actual committed effort exceeds the salary charged to a project.

- The salary and related costs are not reimbursed by the sponsor and therefore must be supported by Brown University funds



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## Types of Cost Share



- **Mandatory Committed**

Required by the sponsor as identified or quantified in the proposal budget and/or statement of work. Mandatory committed cost sharing is a condition of receiving the award and is a binding commitment of the University

- **Voluntary Committed**

Voluntary committed cost sharing is not required by the sponsor; however, it was identified or quantified in the proposal statement of work and/or budget. Voluntary committed cost sharing becomes a binding commitment of the University when proposal is funded

- **Salary Costs in Excess of Sponsored Imposed Cap**

Salary costs that are over a sponsor imposed cap (e.g. NIH Salary Cap) are required to be tracked. All salary costs in excess of a sponsor imposed cap is considered mandatory committed cost sharing

- **Voluntary Uncommitted**

Any cost associated with a sponsored project / program that was not identified in the proposal statement of work, budget, or in any other communication to the sponsor.

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## Cost Share Worktags

Reference the [Cost Sharing Reference Guide](#) for appropriate worktags.

- In general, cost shared effort is captured using the GR & FD120 worktags (with the exception of voluntary uncommitted).
- PRG worktags will be needed in certain instances such as salary over the cap (PRG247).



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## Cost Share Effort Report Example

| Summary   |   |   |   |       |
|---|---|---|---|-------|
| Summary 0 Items   |   |   |   |       |
| Effort Certification Summary                              |   |   |   |       |
| Worktags  | Certified Amount Estimated                | Certified Percentage of Group Estimated | Certified Percentage of Total Estimated |       |
| Exempt Salary<br>FD120 Sponsored Grants & Contracts<br>GR | 934.72                                    | 6.3%                                    | 1.3%                                    |       |
| Exempt Salary<br>FD120 Sponsored Grants & Contracts<br>GR | 124.63                                    | 0.8%                                    | 0.2%                                    |       |
| Exempt Salary<br>FD120 Sponsored Grants & Contracts<br>GR | 4733.04                                   | 31.7%                                   | 6.3%                                    |       |
| Total   | 14992.39                                  | 100.0%                                  | 28.1%                                   |       |
| FD120 Cost Sharing  | Exempt Salary<br>FD120 Cost Sharing<br>GR | 10990.25                                | 76.0%                                   | 21.3% |
| Exempt Salary<br>FD120 Cost Sharing<br>GR                 | 6543.03                                   | 29.2%                                   | 8.8%                                    |       |
| Total   | 22433.3                                   | 100.0%                                  | 38.1%                                   |       |

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## Cost Share Effort Report Example

[illegible]

## Summer Salary

Summer salary is defined as any compensation paid during the summer period to a faculty member in excess of his or her academic year salary. The summer period is defined to be the period outside Institutional Base Salary of the academic year appointment.



## How is Summer Salary Calculated?

Federal regulations stipulate that summer salary (Per Uniform Guidance Summer Salary is referred to as “period outside of the academic year pay”) supported by sponsored programs must be “computed and paid at a percent effort rate not in excess of the faculty member’s official Institutional Base Salary (IBS) divided by the number of months in the period for which that IBS is paid.”

- Monthly rate for summer salary = no more than 1/9<sup>th</sup> or 1/10<sup>th</sup> of academic year salary
- *Example* - Professor Smith’s IBS for the 10-month academic year is \$100,000 and she proposes to devote 40% effort to a sponsored project during one month of the upcoming summer. The summer salary to be charged to the sponsor for Professor Smith’s work/effort on the project will be paid at the rate of 1/10<sup>th</sup> of \$100,000 or \$10,000 for each month of the summer. Because her percent effort on the project will be 40% during one summer month, a total of \$10,000 x 0.40 or \$4,000 will be allocated for Professor Smith’s summer salary.

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## Workday System Limitation

Due to system limitations associated with summer salary and effort reporting, in most cases effort percentages will need to be documented via comments within the effort report.

For further guidance please click on the link below.

<https://www.brown.edu/research/conducting-research-brown/managing-award/award-management/effort-reporting-policy/summer-salary-effort-reporting-guidelines>

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### Allowed Activities to Summer Effort

- Lab activities that can be clearly associated with the grant being charged.
- General research/related activities which can be clearly related to grants being charged.
- Work on a **continuation** proposal/progress report for the grant being charged.

If effort is charged to a grant, then the activities performed must benefit that grant. The effort allocation must be consistent and explainable.

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### Activities Not Allowable as Summer Effort

- Vacation
- Work on **new** proposals
- Travel to conferences associated with another grant or contract from the one for which time is charged
- Administrative tasks
- External consulting engagements

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## What is the NIH Salary Cap?

- Every year since 1990 Congress has mandated a provision limiting the direct salary that an individual may receive funded by The National Institutes of health (NIH).
- The NIH capped rate in effect as of 1/1/23, is \$212,100 per year for 1 FTE. This rate is updated annually on a calendar-year basis.
  - 12 month = \$212,100 (no summer salary)
  - 10 month = \$176,750  $\rightarrow$   $(212,100/12 \text{ months} \times 10 \text{ months})$
  - 9 month = \$159,075  $\rightarrow$   $(212,100/12 \text{ months} \times 9 \text{ months})$

NIH Salary CAP worksheet:

<https://www.brown.edu/research/conducting-research-brown/managing-award/award-management/nih-salary-cap-policy>

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| NIH SALARY CAP | AWARD PERIOD    | NIH Cap for 12 MO Appt | NIH Cap for 10 MO Appt | NIH Cap for 9 MO Appt | 10 MO AY Appt Pd Over 12 mo (10 mo appt CAP/12 MO) | 10 MO AY Appt Pd Over 10 mo (10 mo appt CAP/10 MO) | 9 MO AY Appt Pd Over 12 mo (9 mo appt CAP/12 MO) | 9 MO AY Appt Pd Over 9 mo (9 mo appt CAP/9 MO) | Summer Salary CAP MO (100) | Summer Salary CAP MO (90) |
|----------------|-----------------|------------------------|------------------------|-----------------------|--|--|--|--|----------------------------|---------------------------|
| \$203,700.00   | FY 22 (1/2/22+) | \$203,700.00           | \$169,760.00           | \$152,775.00          | \$14,145.83  | \$17,675.00  | \$12,731.25                                      | \$10,975.00                                    | \$16,975.00                | \$16,975.00               |
| \$212,100.00   | FY 23 (1/1/23+) | \$212,100.00           | \$176,750.00           | \$159,075.00          | \$14,729.17  | \$17,675.00  | \$13,256.25                                      | \$11,075.00                                    | \$17,675.00                | \$17,675.00               |
| \$212,100.00   | FY 23 (1/1/23+) | \$212,100.00           | \$176,750.00           | \$159,075.00          | \$14,729.17  | \$17,675.00  | \$13,256.25                                      | \$11,075.00                                    | \$17,675.00                | \$17,675.00               |

**Instructions:**

1) Enter faculty's Institutional Base Salary (IBS) in the yellow square to the right

(See IBS definition & instructions on how to calculate on the Overview of the Worksheets Tab).

2) In Column A - Enter all NIH accounts in the appropriate Appointment / Paid over time section.

3) In Column B - For each account, enter the Effort % commitment.

4) Amounts in these two columns (**% Distribution to NIH account** and **\$ cap-dist to NIH Account**) for each account will automatically calculate.

**(NOTE - The amounts) in column H (amount over cap to be allocated to non-sponsored account worktags), which will be reflected on the costing allocation task in Workday.**

**ENTER FACULTY MONTHLY ACADEMIC YEAR SALARY & PROPOSED EFFORT BASED ON TYPE OF APPOINTMENT AND NUMBER OF PAY PERIODS**

| 12 MONTH AY APPOINTMENT PAID OVER 12 MONTHS |        |               |           |                      |                            |                               |                                       |   |  |  |
|---|--------|---------------|-----------|----------------------|----------------------------|-------------------------------|---------------------------------------|---|--|--|
|   |        |               |           |                      | AY Monthly Salary          |                               |                                       |   |  |  |
|   |        |               |           |                      |                            |                               |                                       |   |  |  |
| Account #                                   | Effort | NIH AY Cap/Mo | AY Salary | total monthly salary | \$ cap-dist to NIH account | % distribution to NIH account | amt over cap to non-sponsored account | % distribution to non-sponsored account |  |  |
|   | 0%     | \$ 17,675.00  | \$ -      | \$ -                 | \$ -                       | #DIV/0!                       | \$ -                                  | #DIV/0!                                 |  |  |
|   | 0%     | \$ 17,675.00  | \$ -      | \$ -                 | \$ -                       | #DIV/0!                       | \$ -                                  | #DIV/0!                                 |  |  |
|   | 0%     | \$ 17,675.00  | \$ -      | \$ -                 | \$ -                       | #DIV/0!                       | \$ -                                  | #DIV/0!                                 |  |  |
|   | 0%     | \$ 17,675.00  | \$ -      | \$ -                 | \$ -                       | #DIV/0!                       | \$ -                                  | #DIV/0!                                 |  |  |
| 10 MONTH AY APPOINTMENT PAID OVER 12 MONTHS |        |               |           |                      |                            |                               |                                       |   |  |  |
|   |        |               |           |                      | AY Monthly Salary          |                               |                                       |   |  |  |
|   |        |               |           |                      |                            |                               |                                       |   |  |  |
| Account #                                   | Effort | NIH AY Cap/Mo | AY Salary | total monthly salary | \$ cap-dist to NIH account | % distribution to NIH account | amt over cap to non-sponsored account | % distribution to non-sponsored account |  |  |
|   | 0%     | \$ 14,729.17  | \$ -      | \$ -                 | \$ -                       | #DIV/0!                       | \$ -                                  | #DIV/0!                                 |  |  |
|   | 0%     | \$ 14,729.17  | \$ -      | \$ -                 | \$ -                       | #DIV/0!                       | \$ -                                  | #DIV/0!                                 |  |  |
|   | 0%     | \$ 14,729.17  | \$ -      | \$ -                 | \$ -                       | #DIV/0!                       | \$ -                                  | #DIV/0!                                 |  |  |
|   | 0%     | \$ 14,729.17  | \$ -      | \$ -                 | \$ -                       | #DIV/0!                       | \$ -                                  | #DIV/0!                                 |  |  |
| 9 MONTH AY APPOINTMENT PAID OVER 12 MONTHS  |        |               |           |                      |                            |                               |                                       |   |  |  |
|   |        |               |           |                      | AY Monthly Salary          |                               |                                       |   |  |  |
|   |        |               |           |                      |                            |                               |                                       |   |  |  |
| Account #                                   | Effort | NIH AY Cap/Mo | AY Salary | total monthly salary | \$ cap-dist to NIH account | % distribution to NIH account | amt over cap to non-sponsored account | % distribution to non-sponsored account |  |  |
|   | 0%     | \$ 13,256.25  | \$ -      | \$ -                 | \$ -                       | #DIV/0!                       | \$ -                                  | #DIV/0!                                 |  |  |
|   | 0%     | \$ 13,256.25  | \$ -      | \$ -                 | \$ -                       | #DIV/0!                       | \$ -                                  | #DIV/0!                                 |  |  |
|   | 0%     | \$ 13,256.25  | \$ -      | \$ -                 | \$ -                       | #DIV/0!                       | \$ -                                  | #DIV/0!                                 |  |  |
|   | 0%     | \$ 13,256.25  | \$ -      | \$ -                 | \$ -                       | #DIV/0!                       | \$ -                                  | #DIV/0!                                 |  |  |
| 10 MONTH AY APPOINTMENT PAID OVER 10 MONTHS |        |               |           |                      |                            |                               |                                       |   |  |  |
|   |        |               |           |                      | AY Monthly Salary          |                               |                                       |   |  |  |
|   |        |               |           |                      |                            |                               |                                       |   |  |  |
| Account #                                   | Effort | NIH AY Cap/Mo | AY Salary | total monthly salary | \$ cap-dist to NIH account | % distribution to NIH account | amt over cap to non-sponsored account | % distribution to non-sponsored account |  |  |
|   | 0%     | \$ 17,675.00  | \$ -      | \$ -                 | \$ -                       | #DIV/0!                       | \$ -                                  | #DIV/0!                                 |  |  |
|   | 0%     | \$ 17,675.00  | \$ -      | \$ -                 | \$ -                       | #DIV/0!                       | \$ -                                  | #DIV/0!                                 |  |  |
|   | 0%     | \$ 17,675.00  | \$ -      | \$ -                 | \$ -                       | #DIV/0!                       | \$ -                                  | #DIV/0!                                 |  |  |
|   | 0%     | \$ 17,675.00  | \$ -      | \$ -                 | \$ -                       | #DIV/0!                       | \$ -                                  | #DIV/0!                                 |  |  |
| 9 MONTH AY APPOINTMENT PAID OVER 9 MONTHS   |        |               |           |                      |                            |                               |                                       |   |  |  |
|   |        |               |           |                      | AY Monthly Salary          |                               |                                       |   |  |  |
|   |        |               |           |                      |                            |                               |                                       |   |  |  |
| Account #                                   | Effort | NIH AY Cap/Mo | AY Salary | total monthly salary | \$ cap-dist to NIH account | % distribution to NIH account | amt over cap to non-sponsored account | % distribution to non-sponsored account |  |  |
|   | 0%     | \$ 17,675.00  | \$ -      | \$ -                 | \$ -                       | #DIV/0!                       | \$ -                                  | #DIV/0!                                 |  |  |
|   | 0%     | \$ 17,675.00  | \$ -      | \$ -                 | \$ -                       | #DIV/0!                       | \$ -                                  | #DIV/0!                                 |  |  |
|   | 0%     | \$ 17,675.00  | \$ -      | \$ -                 | \$ -                       | #DIV/0!                       | \$ -                                  | #DIV/0!                                 |  |  |
|   | 0%     | \$ 17,675.00  | \$ -      | \$ -                 | \$ -                       | #DIV/0!                       | \$ -                                  | #DIV/0!                                 |  |  |

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## Salary Reallocation

A Salary Reallocation may occur when there is a difference between actual effort spent on a project for a given period and salary dollars charged to a project.

- Salary charged to a sponsored project must not exceed the effort spent on the project.
- If the salary charged > than the effort expended, a salary reallocation should be done to remove salary charged.
- If a salary reallocation is performed after the effort report is certified, the corresponding effort report will need to be recertified and approved by OSP Director/designee
  - This should only be done ONLY in extenuating circumstances
  - Changes to previously certified effort erode the credibility of the certifier as well as the entire effort certification process.

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## Salary Reallocation : Example # 1

As the ECP you are meeting with PI, to review the effort report for Lab Technician Earl E. Bird, and determine that the effort was increased from 50% to 75% on GR1234567 and decreased from 50% to 25% on GR2345678 during the period of 9/11/22 – 9/24/22.

- As the ECP you should the following steps are required to correct the effort report



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Non-Exempt Employees for Bird, Earl E. (000123) for 06/26/2022 - 09/24/2022

> Details      Effort Certification Status: In Progress      Changed Status: Unchanged

Summary    Aggregate    Details    Positions    Organizations    Process History

Summary 2 Items

| Effort Certification Summary |   |                            |   |   |
|------------------------------|---|----------------------------|---|---|
|                              | Worktags  | Certified Amount Estimated | Certified Percentage of Group Estimated | Certified Percentage of Total Estimated |
| EFF10 Sponsored Activity     | FD500 Sponsored Grants & Contracts<br>GR1234567 | 2653.91                    | 50.0%                                   | 50.0%                                   |
|                              | FD500 Sponsored Grants & Contracts<br>GR2345678 | 2653.87                    | 50.0%                                   | 50.0%                                   |
| Total:                       |   | 5307.78                    | 100.0%                                  | 100.0%                                  |

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34 second(s) ago - Due 11/23/2022

> Details      Effort Certification Status: In Progress      Changed Status: Unchanged

Summary    Aggregate    Details    Positions    Organizations    Process History

Summary 2 Items

| Effort Certification Summary |   |                            |   |   |
|------------------------------|---|----------------------------|---|---|
|                              | Worktags  | Certified Amount Estimated | Certified Percentage of Group Estimated | Certified Percentage of Total Estimated |
| EFF10 Sponsored Activity     | FD500 Sponsored Grants & Contracts<br>GR1234567 | 2653.87                    | 50.0%                                   | 50.0%                                   |
|                              | FD500 Sponsored Grants & Contracts<br>GR2345678 | 2653.91                    | 50.0%                                   | 50.0%                                   |
| Total:                       |   | 5307.78                    | 100.0%                                  | 100.0%                                  |

Submit    **Change Effort**    Add Approvers    Save for Later

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Click here to sort

07/31/2022 - 08/13/2022 (Bi-weekly)

08/14/2022 - 08/27/2022 (Bi-weekly)

08/28/2022 - 09/10/2022 (Bi-weekly)

09/11/2022 - 09/24/2022 (Bi-weekly)

### Effort Certification Lines

Period: 09/11/2022 - 09/24/2022 (Bi-weekly)

2 Items

| Grant     | Payroll  | Worktags   | Original Amount | Original Percent | Change Reason                               | Certified Amount Estimated | Certified Percent Estimated | Order |
|-----------|--|--|-----------------|------------------|---|----------------------------|-----------------------------|-------|
| GR1234567 | Earning: Regular Hourly<br>Employee:<br>Job Profile: Research Assistant 2 - Biology and Medicine<br>Pay Group: Bi-Weekly<br>Position: P03322453 Research Assistant<br>More (2) | Business Unit: BU7010 AMS-Biology Cost Center: CC40535 Neuroscience<br>Expense Purpose Code: 1210 Sponsored Research - Federal Sponsor<br>Fund: F0500 Sponsored Grants & Contracts Grant:<br>GR1234567<br>More (1) | 442.31          | 50.0%            | X Administrative Error (Costing Adjustment) | 653.47                     | 75%                         | 75    |
| GR2345678 | Earning: Regular Hourly<br>Employee:<br>Job Profile: Research Assistant 2 - Biology and Medicine<br>Pay Group: Bi-Weekly<br>Position: P03322453 Research Assistant<br>More (2) | Business Unit: BU7010 AMS-Biology Cost Center: CC40535 Neuroscience<br>Expense Purpose Code: 1210 Sponsored Research - Federal Sponsor<br>Fund: F0500 Sponsored Grants & Contracts Grant:<br>GR2345678<br>More (1) | 442.32          | 50.0%            | X Administrative Error (Costing Adjustment) | 221.16                     | 25%                         | 25    |
|           |  |  | 884.63          | 100%             |   | 884.63                     | 100.0%                      |       |

OK Cancel

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Details

Effort Certification Status: In Progress

Changed Status: Changed

Summary Aggregate Details Positions Organizations Process History

Summary: 2 Items

| Effort Certification Summary |   | Certified Amount Estimated | Certified Percentage of Group Estimated | Certified Percentage of Total Estimated |
|------------------------------|---|----------------------------|---|---|
| EFF10 Sponsored Activity     | Worktags  |                            |   |   |
|                              | F0500 Sponsored Grants & Contracts<br>GR1234567 | 2875.00                    | 54.2%                                   | 54.2%                                   |
|                              | F0500 Sponsored Grants & Contracts<br>GR2345678 | 2432.75                    | 45.8%                                   | 45.8%                                   |
| Total:                       |   | 5307.75                    | 100.0%                                  | 100.0%                                  |

enter your comment

Submit Change Effort Add Approvers Save for Later

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## Salary Reallocation: Continued



- Costed changes in the effort report as a result of a salary reallocation will initiate a payroll accounting adjustment (PAA) “within” the certification process.
- Once the effort report has been certified, the PAA process will begin with the department cost center managers.
- The PAA follows the same routing that it would if initiated outside of the certification process.

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## Audits and Compliance

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## Common Audit Issues

- Issues identified include:
  - **Late certification**
  - Who certifies (PI/Faculty, Exempt & Non-Exempt)
  - Managing effort commitment
  - Summer effort and summer salary
  - Multi-PI/Multi-ECP Scenarios
  - Institutional base salary
  - **Salary Expenses Inconsistent with Certified Effort**
  - **Allocation of Stipends & Tuition Inconsistent with Effort Certifications**



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## Common Audit Issues : Continued

- Direct charging of administrative activities
- Cost sharing not reflected
- Variances between actual and reported effort (including NIH Cap)
- Method for independent evaluation of systems' effectiveness
- Lack of policies and procedures
- Training programs
- **Cost Transfers or Salary Reallocations**



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## Compliance Challenges



- Providing/supporting an adequate administrative infrastructure
- Not enough central management /monitoring
- Confusion over the overall Effort Reporting process.

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## Top 10 Things a PI Should Know About Effort

- National Council of University Research Administrators (NCURA)

1. Effort is your work on a project, whether the sponsor pays your salary or not.
2. When you write yourself into a grant proposal, you are *committing* your effort to the sponsor.
3. If you increase or reduce your effort, paid or unpaid, on a federal grant by 25% or more, you must have agency approval.
  - If you reduce your paid effort, you may choose to document cost-sharing so that the total effort does not decrease.
4. Many activities cannot be charged to a federally sponsored project. For example, the time you spend on these activities cannot be charged:
  - Writing a proposal
  - Serving on an IRB, IACUC or other research committee
  - Serving on a departmental or university service committee

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5. If you work on a sponsored project, you must certify your effort.
6. Certifying effort is not the same as certifying payroll.
7. Certification must *reasonably* reflect *all* the effort for *all* the activities that are covered by your University compensation.
8. Effort is *not* based on a 40-hour work week. It's not based on hours at all.
9. Effort must be certified by someone with *suitable means of verifying* that the work was performed.
10. Identifying audit findings, auditors look for indications that certification was based on factors other than actual, justifiable effort.

Link to video:

<http://www.youtube.com/watch?v=VeOkD4HI1GU&feature=youtu.be>

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## Best Practices

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## Best Practices: Basics



- Meet & communicate, at least quarterly, with your PI/faculty or whomever is responsible for sign-off to:
  - Review Payroll distribution
  - Discuss new awards
  - Ask who will have effort on an award/where will effort be reduced?
  - Discuss/explain/confirm the contents of the effort report
  - Pick up the phone to call your counterpart in another department in multi-PI situations.
- Be organized/use planning tools/develop operating procedures
  - Have a system to track & verify changes
- Reconcile your accounts (monthly)

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## Best Practices: Review of PI Salary/Effort

- Send an email to PI/faculty or whomever is responsible for sign-off after he/she has had time to review the report
- Do any adjustments need to be made/are salaries charged appropriately?
- Ask PI/faculty/person responsible for sign-off if he/she anticipates any salary changes in effort in the next month?
- Send an email summarizing any changes
  - Use this for back-up on your salary distribution changes

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## Terminating employees

- If an employee is terminating, please be sure that the ECA is aware and an effort report has been run
- The effort report has been certified prior to the employees departure.
- A memo in the effort report may need to be added for a period of time that is not automatically generated in the effort report.



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## Best Practices: Conduct a Comprehensive Q&A with PI



- Is the grant ending?
- Do you need to request a no-cost extension?
- Be proactive...Review status of planned and pending grants where effort may need to be reduced, is it 25% or greater?
- To reduce >90 day cost transfers, stay ahead of the 90 day allowance to process salary distribution changes. (i.e., don't wait for semi-annual effort reports.)

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## Best Practices: Technology & Completeness Check



- Utilize the Effort Certification Summary Report (Effort Certification Partners) to keep track of efforts reports.
- Follow-up on any outstanding certifications in a timely manner

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## Reference Materials

### ▪ Effort Reporting Policy

<https://www.brown.edu/research/conducting-research-brown/managing-award/award-management/effort-reporting-policy>

### ▪ Workday Effort Reporting Guidelines (Reviews business processes for PAA's & Cost Shared Effort)

<https://www.brown.edu/research/conducting-research-brown/managing-award/award-management/workday-effort-reporting-guidelines>

### ▪ Summer Salary Effort Reporting Guidelines

<https://www.brown.edu/research/conducting-research-brown/managing-award/award-management/summer-salary-effort-reporting-guidelines>

### ▪ NIH Salary Cap Procedure

<https://www.brown.edu/research/conducting-research-brown/managing-award/award-management/nih-salary-cap-procedure-award-stage>

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Any Questions???



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