



# **EFFORT REPORTING**

Office of Sponsored Projects  
PI and Department Administrator Information Series # 4  
February 12, 2019

# AGENDA

- What is Effort?
  - Maximum/Minimum
- What is Effort Reporting?
- Why do we Certify?
- NAU's Effort Reporting System Overview
- Certifying Effort
  - Who MUST certify effort?
  - Certification timeline
- Consequence of non-compliance
- Impact on Effort
  - Supplement Pay
  - Payroll Cost Transfers
  - Cost Share
- Effort Reporting Red Flags (Audit)
- Audit Findings

# WHAT IS EFFORT?

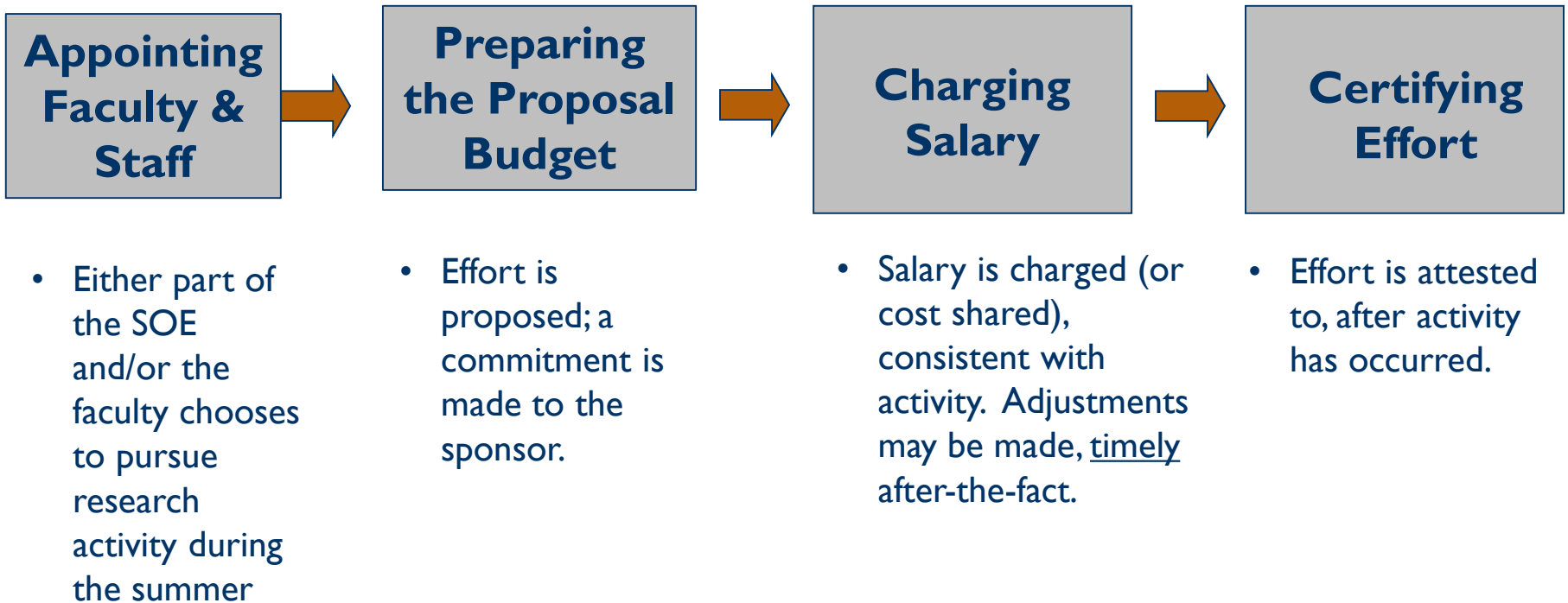
- Effort is the time spent on any University activity by an individual, expressed as a percentage of the individual's Total University Effort that includes but not limited to:
  - **Teaching**
  - **Research**
  - **Administrative work**
  - **Proposal Development**
- A reasonable estimate
- Total effort must equal 100%
- Not based on a standard 40 hour work week
- Does not include outside activities
  - **External consulting**

# MAXIMUM AND MINIMUM EFFORT

- **Maximum Effort**
  - Most faculty are unable to devote 100% of their time to sponsored activities due to other institutional responsibilities
- **Minimum Effort**
  - Principal Investigators (PIs) cannot certify 0% effort on sponsored project
  - PIs must certify at least 1% to reflect leadership on the project

# WHAT IS EFFORT REPORTING

Effort Reporting encompasses more than just certifying effort



# WHAT IS EFFORT REPORTING?

- A method for documenting the proportion of total work time devoted to sponsored projects, expressed as a percentage of total work time
- A means of verifying
  - Appropriate salary & wage expenses were charged to sponsored projects and that they were reasonable
  - Cost sharing was performed as promised
  - Total effort commitments were met

# WHY DO WE CERTIFY EFFORT?

- Effort Certification is a Federal requirement.
  - Federal Register 2 CFR Part 200 Section i.8, Standards for Documentation of Personnel Expenses, states that the Federal government may require personnel activity reports where records do not meet standards.
  - Personnel is typically the most significant direct cost component of sponsored project costs and as such, is a focus of Federal auditors.

# NAU's EFFORT REPORTING SYSTEM OVERVIEW



Welcome, David Wagner | Sign Out |

Home Certify Manage Administration Links

## Helpful Links

- » Office of Sponsored Projects Home Page
- » OMB Circulars
- » National Institutes of Health: Grants Policy and Guidance

## Work List for David Wagner

Welcome to the eCRT effort reporting system. The tabs below list all of the effort certification tasks that require your attention - whether it is certifying statements, processing statements, or following up on outstanding statements. To view and resolve the specific task, select the link in the task description.

### Statements Awaiting Certification (12)

Time Studies

### Effort Statements

Statement Owner	Department	Period	Due Date	Type	Status	PI
Wagner, David	10211-10211 - Biological Sciences	Test Period	11/30/2016	Effort State...	Not Certified, Not Processed	
Birdsell, Dawn	10220-10220 - PMI	Test Period	11/30/2016	Effort State...	Not Certified, Not Processed	
Hall, Carina	10220-10220 - PMI	Test Period	11/30/2016	Effort State...	Not Certified, Not Processed	
Hutton, Shelby	10216-10216 - Mathematics&Sta...	Test Period	11/30/2016	Effort State...	Not Certified, Not Processed	
Jaramillo, Sierra	10220-10220 - PMI	Test Period	11/30/2016	Effort State...	Not Certified, Not Processed	

When a PI logs into eEDR, a list of Statements Awaiting Certification is displayed.



# NAU'S EFFORT REPORTING SYSTEM OVERVIEW



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## Work List

### Statements Requiring Certification

Wagner, Mr David M	10211 - Biological Sciences
Birdsell, Ms Dawn J	10220 - PMI
Hall, Ms Carina M	10220 - PMI
Hutton, Shelby M	10216 - Mathematic s& Statistics
Jaramillo, Sierra	10220 - PMI
Meyer, Rachel K	10220 - PMI

Recently Completed

Wagner, Mr David M - 1031557

Statement Owner

Effort Statements

Needing certification

Effort Statement 11/30/2016 Not Certified, Not Processed

Historical

Wagner, Mr David M - 1031557 (NAU Certifiers) Effort Statement Effort Period: 12/21/2015 to 06/19/2016 Due Date: 11/30/2016 Status: Not Certified, Not Processed

Accounts [-]	Committed Effort	Payroll	Cost Share	Computed Effort	Certified Effort	Certify?
<b>Sponsored</b>						
2769000-3100-B002-1002680 Preventing The Spread Of Cattle Fever In Texas: Using Population Genetic Tools To Increase The Effectiveness Of Disease Management Efforts	0.00%	5.88%	0.00%	5.88%	6%	<input type="checkbox"/>
<b>Sponsored Total:</b>	<b>0.00%</b>	<b>5.88%</b>	<b>0.00%</b>	<b>5.88%</b>	<b>6%</b>	
<b>Non Sponsored</b>						
2760010-2400-B002-	0.00%	10.92%	0.00%	10.92%	11%	<input type="checkbox"/>
2760030-2400-B002-	0.00%	83.19%	0.00%	83.19%	83%	<input type="checkbox"/>
<b>Non Sponsored Total:</b>	<b>0.00%</b>	<b>94.11%</b>	<b>0.00%</b>	<b>94.11%</b>	<b>94%</b>	
<b>Grand Total:</b>	<b>0.00%</b>	<b>99.99%</b>	<b>0.00%</b>	<b>99.99%</b>	<b>100%</b>	<input type="checkbox"/>

Save

The Effort Certification page includes a Work List, as summary view of outstanding Certifications and details of the selected effort statement

# CERTIFYING EFFORT

Wagner, Mr David M - 1031557 (NAU Certifiers)    Effort Statement Effort Period: 12/21/2015 to 06/19/2016    Due Date: 11/30/2016    Status: Not Certified, Not Processed

Accounts [-]	Committed Effort	Payroll	Cost Share	Computed Effort	Certified Effort	Certify?
<b>Sponsored</b>						
2769000-3100-B002-1002680 Preventing The Spread Of Cattle Fever In Texas: Using Population Genetic Tools To Increase The Effectiveness Of Disease Management Efforts	0.00%	5.88%	0.00%	5.88%	<input type="text" value="20%"/>	<input checked="" type="checkbox"/>
<b>Sponsored Total:</b>	<b>0.00%</b>	<b>5.88%</b>	<b>0.00%</b>	<b>5.88%</b>	<b>20%</b>	
<b>Non Sponsored</b>						
2760010-2400-B002-	0.00%	10.92%	0.00%	10.92%	<input type="text" value="15%"/>	<input checked="" type="checkbox"/>
2760030-2400-B002-	0.00%	83.19%	0.00%	83.19%	<input type="text" value="65%"/>	<input checked="" type="checkbox"/>
<b>Non Sponsored Total:</b>	<b>0.00%</b>	<b>94.11%</b>	<b>0.00%</b>	<b>94.11%</b>	<b>80%</b>	
<b>Grand Total:</b>	<b>0.00%</b>	<b>99.99%</b>	<b>0.00%</b>	<b>99.99%</b>	<b>100%</b>	<input checked="" type="checkbox"/>

To complete certification, review the effort percentages and adjust the Certified Effort column if needed. Computed Effort should agree with Certified Effort (rounded) and the Grand Total must equal 100%. Significant variation will require payroll accounting adjustments.

When ready, click "Certify" and follow system prompts.

Note: the "Certify" button will only display when at least one of the certify checkboxes has been checked.

Let's go live: <https://in.nau.edu/osp/>

## WHO MUST CERTIFY?

- PIs are to review and certify the Effort Certification Reports for all personnel that is PAID directly from their sponsored projects.
- An electronic signature on the Effort Certification Report is an endorsement by the project PI that to the best of his/her knowledge the listed effort accurately reflects the level of effort spent on the project(s).
- It is not appropriate for a department administrator to sign the Effort Certification Reports for his/her Principal Investigator.
- Each PI has the ultimate responsibility for ensuring that their Effort Certification Report is certified accurately and timely.

# CERTIFICATION TIMELINE

- Effort must be certified on a semi-annual basis within 45 days of when the statement becomes available.

- Certification windows:

Period of Performance	Certification Window
Jan 1 - June 30	July 16 - August 29
July 1 - December 31	January 16 - March 1

\*\*In current period now

- If effort is not certified within 60 days of when the statement becomes available, the Vice President for Research and the Provost will be notified and further action may be taken.

# CONSEQUENCES OF NON-COMPLIANCE

- The risks of non-compliance with effort reporting are significant
- The sponsor may:
  - Disallow related salary, fringe and F&A costs
    - The salary, fringe and F&A costs will need to be returned to the sponsor
  - Reduce or eliminate future funding
  - Subject to criminal proceedings

# ACTIONS THAT IMPACT EFFORT

- **Supplemental Pay**

- When supplemental pay is given to an individual that currently working on one or more sponsored projects. The supplemental pay reduces the effort percentages. (i.e. 75% reduced to 70%)

- **Payroll Transfers**

- If a payroll transfer is not timely and/or occurs outside of the effort certification timeline, then a ***re-certification*** of effort is required. Payroll transfers effect the percentages of effort where the salary/wages were originally charged

# COST SHARING

- Cost Sharing is the portion of project or program cost that is not reimbursed by the sponsor.

Cost Sharing Type	Definition	Required to Certify?
Mandatory	Required by the sponsor as a condition of an award	Yes
Voluntary Committed	Cost associated with a sponsored project, identified in the proposal, but was not required or funded by the sponsor	Yes
Voluntary Uncommitted	Cost that is neither committed in the proposal nor required as a condition of the award	No

## EFFORT REPORTING RED FLAGS

- Late or uncertified effort reports
- Recertification of effort
- Actual effort reported is less than salary expensed
- Actual effort reported represents a decrease in committed effort >25%
- Certified actual effort contradicts salary distribution (major deviation)
- Administrative time being expensed on research projects



# AUDIT FINDINGS

- **Northwestern University \$5.5M**
  - Researchers spent less time on NIH sponsored projects than they reported.
- **Johns Hopkins University \$2.6M**
  - Faculty time and effort devoted to NIH grants was overstated.
- **Harvard University: \$3.2M**
  - Salaries of researchers who did not work on the grant were billed
  - Salaries of the PI were in excess of the budgeted amount
  - Researchers did not meet their 75% requirement
- **Yale University \$194K**
  - PI failed to contribute the level of effort proposed
  - Effort Report Documentation for cost transfers had been altered

## QUESTIONS & ANSWERS

Thank you for your attention!