




Office of Sponsored Programs
Office of Grants & Contracts Accounting

MEMORANDUM

To: To all Faculty and Staff
From: Kerry Peluso, Associate Vice President for Research Administration 
cc: Claire Sterk, David Wynes, Edie Murphree, Bill Lambert
Date: August 13, 2009
Subject: Effort reporting policy and procedures

Emory University's effort policy specifies that only the portion of an individual's time devoted to a sponsored project may be reflected in the effort certified to that project. This policy applies to individuals on both 12-month and 9-month appointments.

In many cases, faculty members are engaged in activities other than sponsored projects. These may include proposal writing, administrative functions, teaching and preparation for teaching, student mentoring, research on non-sponsored projects, clinical activity or other activities not directly related to a sponsored project. Time spent on these functions is unallowable to charge to research agreements and is unallowable to certify as effort spent on a sponsored project. Emory University's effort reporting policy requires that such non-sponsored activities be appropriately reflected in the faculty member's effort report.

Tenured and tenure track faculty are generally expected to hold some of the responsibilities noted above. To ensure that faculty have time allocated to manage these responsibilities and that compliance with federal regulations is maintained, **tenured and tenure track faculty may assign no more than 95% of their effort to a sponsored project(s) during any effort reporting quarter** (Sept.-Nov., Dec.-Jan., Feb.-May, June-Aug.). Under no circumstances will any exceptions to this rule be granted.

It is important to note that other faculty are also required to report their effort appropriately. They must ensure that any effort certified to a sponsored project(s) is spent on that project. Time spent on other activities cannot be certified to a sponsored project(s).

Any questions regarding the attached policy should be directed to Kerry Peluso's attention at 404-727-0551 or kpeluso@emory.edu.



EMORY

Official University Policy
<http://policies.emory.edu>

Policy Effort Reporting

Responsible Official: Vice President for Finance

Administering Office: Office of Grants & Contracts Accounting

Effective Date: September 1, 2009

Last Revision: May 30, 2009

Policy Sections:

I. Overview

The University uses an after-the-fact web based effort reporting system to account for an employee's effort in compliance with the federal Office of Management and Budget's Circular A-21 Section J 10. This policy also meets the requirements of other sponsors for certifying that effort expended on a project is at least equal to the percentage of payroll dollars charged against the sponsored project during the effort reporting period.

II. Applicability

This policy applies to anyone performing effort on a sponsored project.

III. Policy Details

1.1 Definitions

- a. **Effort** - Emory defines effort as the proportion of time spent on any activity expressed as a percentage of the total professional activity for which an individual is compensated by their Institutional Base Salary (IBS). Effort does not equate to any set number of hours per week. Total professional activity time, regardless of the number of hours, compensated by Institutional Base Salary constitutes 100 percent effort.
- b. **Institutional Base Salary (IBS)** - This is the salary that corresponds to the time spent on University professional activities such as research, instruction, clinical activities, and administrative activities and includes Emory College's department chair or program director's stipend. This definition of IBS excludes salary or pay for other professional activities such as VA appointments, Children's Hospitals of Atlanta appointments, consulting services, bonuses, and other one-time payments.
- c. **Effort Reporting** - Effort reporting is the mechanism used to confirm that salaries and wages charged to each sponsored agreement are equal to or less than the actual work performed. This process includes three steps:
 1. Committing effort to a project
 2. Accounting for the effort by charging and cost sharing specific salary expense, and
 3. Certifying the effort.

By certifying an effort report the individual is stating that the effort reasonably reflects the activity for which the employee is compensated by their IBS. Cost sharing of salary expenses is required to be confirmed through the effort reporting system.

1.2 Roles and Responsibilities

Effective effort reporting requires the coordination and active engagement of the Office of Grants and Contracts Accounting (OGCA) with the business administrators and faculty members in the departments and schools. Each individual with responsibility for effort reporting must thoroughly understand the proper method of completing the effort form and ensure effort percentages reported on the form reasonably reflect effort expended during the report period.

All faculty members must certify their own effort certification forms. All other individuals should certify their own effort report whenever possible. If that is not possible, a "responsible person with/using suitable means of verification that the work was performed" may sign the certification. This means that anyone signing for another individual must either have first-hand knowledge or verifiable documentation of the work performed. An effort certification report is a legal document stating that

the certifier confirms the effort on the sponsored project(s) is accurate and appropriate. This document will be examined by auditors in the event of an audit.

1.3 Effort Reporting Periods

Emory requires quarterly certification of exempt employee effort and monthly certification of hourly (non-exempt) employees. The quarterly certification periods allow for cost transfers to be completed in a timely manner.

The quarterly effort periods are as follows: September – November, December – February, March – May, and June – August. Department pre-reviewers will receive email notifications immediately after the effort period is initiated.

1.4 Committed Effort

Principal Investigator's (PIs) who propose to head a sponsored project must personally participate in the project to a significant degree. The minimum effort must be sufficient to ensure oversight of financial, scientific and compliance aspects of a project, and must be in proportion to the size and scope of a project. Tenured and tenure track faculty members' effort commitments to sponsored projects must not exceed 95% in any effort quarter. Additionally, 100% annual or summer salary effort must never be committed to sponsored projects by any individuals who have other teaching, proposal writing, mentoring or advising students, clinical activity or other non grant administrative duties. Departmental chairs, departmental vice-chairs, core directors, and assistant deans must not exceed effort commitments to sponsored projects above 95% in each effort quarter.

The minimum effort requirement does not pertain to equipment and instrumentation grants, doctoral dissertation grants or student augmentation grants. In addition, no effort commitment is required from faculty mentors on institutional training grants, since the faculty mentor's effort will be assigned to the specific research projects on which the trainees are involved. However, an effort commitment is expected for the named research training program director, since he/she will be expending effort in coordinating the training program. Similarly, no commitment of effort is expected from faculty mentors on individual training grants, as their effort will be assigned to the research projects on which the trainee(s) may be involved.

If it becomes apparent that an individual is overcommitted or, for any reason, cannot meet the committed level of effort, OGCA should be notified immediately. It is a Federal requirement that the sponsor be notified in advance if PI/key personnel will withdraw from a project entirely, be absent from a project during any continuous period of 3 months or more, or effort devoted to the project is reduced by 25% or more from the level that was approved at the time of award (OMB Circular A-110 C.25.(c).(3)). Specific funding agency guidelines should be consulted for additional guidance on sponsors' expectations with respect to changes in effort.

1.5 Cost Sharing

Cost sharing represents that portion of the total project costs of a sponsored agreement that are not borne by the sponsor of the project. Cost sharing can be mandatory or voluntary, committed or uncommitted (For more information on cost sharing refer to the Cost Sharing Policy). The sum of the mandatory and committed cost sharing becomes the minimum required cost sharing for the award. Failure to provide the minimum cost sharing can result in returning funds to the sponsor. For salary and salary related cost sharing, mandatory and committed cost sharing must be included on the effort forms to document that the appropriate amount of time has been dedicated to the award. Cost sharing should originate from a non-sponsored account except in unusual circumstances.

1.6 Salary Caps

Federal awards from the NIH, AHRQ and the SAMHSA typically restrict the amount of direct salary paid on their grants, commonly known as the "salary cap." (NIH Salary caps can be viewed here: http://grants.nih.gov/grants/policy/salcap_summary.htm) This is a legislative mandate imposed by Congress. Faculty whose salary exceeds the applicable salary cap must use this cap as the basis for the salary request in the proposal. Faculty with salary in excess of the NIH Salary cap automatically incur cost sharing on all of their NIH sponsored awards.

For NSF awards, no more than 2/9ths of regular salary may be charged in any one year without disclosure and justification in the proposal budget and specific approval by NSF. The 2/9ths limitation applies to any "budget period" of an award.

1.7 K Awards

K awards are unique in that they often require a certain level of effort but cap the salary that can be charged to the award. The effort percentage listed in the award is considered a minimum requirement. The effort commitment cannot be reduced by any amount without written sponsor approval. However, the requirement is for minimum effort devoted to research and all of the effort does not necessarily need to be from the K account. Other research awards may be used to meet the effort

Emory University policies are subject to change at any time. If you are reading this policy in paper or PDF format, you are strongly encouraged to visit policies.emory.edu to ensure that you are relying on the current version.

requirement. The effort certification must reflect that effort on research accounts equals or exceeds the minimum effort required by the K award, in addition to any other effort commitments.

1.8 VA Appointments

All Emory University investigators who also hold salaried VA appointments, paid directly by the VA and not a part of the IBS, should review effort commitments when completing the Memorandum of Understanding (MOU) between the individual, the VA and Emory to ensure ability to meet all commitments.

1.9 Summer Salary

Per section 1.6 above, NSF awards restrict PI paid compensation to no more than 2/9ths of the base salary unless prior approval is obtained from NSF. Other sponsors may allow up to 3/9ths of summer salary. However, a maximum of 95% of an individual's base salary may be charged to sponsored accounts during each summer month. It is the responsibility of the departmental administrators to ensure that employees being paid a summer salary are using the appropriate earnings code in payroll (SRT). Under unique circumstances, exceptions to this rule may be considered for approval but will require approval of the School's Business Office and the Associate Vice President for Research Administration.

1.10 No Cost Extensions

Sponsors expect that the original award terms and conditions will extend throughout the project period, including a no-cost extension (NCE) period. This would include commitments of effort for the PI and other named key personnel on the proposal. Significant reductions (generally exceeding 25%) in effort must be communicated to Sponsor with notification of, or request for, a NCE (subject to sponsor's requirements).

In addition, the January 2001 clarification to OMB Circular A-21 states that some effort should be provided by PIs on research awards; there is not an exception for awards that are in no-cost extension periods. However, there is also the realization by Federal agencies that PI effort may be reduced during no-cost extensions as the project is winding down, or additional time is needed for data analysis. While this is not considered a change in scope to the project, the institution and the PI should notify the sponsor of this decrease in effort to avoid discrepancies with current and pending support statements, effort certification or issues of research overlap.

IV. References

OMB Circular A-21

http://www.whitehouse.gov/omb/circulars/a021/a21_2004.html

OMB Circular A-110

<http://www.whitehouse.gov/OMB/circulars/a110/a110.html>

OMB Clarification Memo (No Cost Extension Effort)

<http://www.whitehouse.gov/omb/memoranda/m01-06.html>

NIH Grants Policy Statement

http://grants.nih.gov/grants/policy/nihgps_2003/index.htm

V. Revision History

1 September 2008 (initial publication)

2 March 2009 (revision 1)

3 May 2009 (revision 2)

VI. Contact Information

1. Clarification of Policy – Office of Grants & Contracts Accounting 404.727.1677

2. Dissemination of Information – Office of Grants & Contracts Accounting 404.727.1677