Jackson State University

Time and Effort Reporting
Part 1 of 2
What is effort?

- “the portion of time spent on a given activity expressed as a percent of total activity for which an individual is employed by the institution”
- Effort is a “reasonable estimate”
- Total effort must equal 100%
- Effort is **NOT** based on workweek of 40 hours
- Effort doesn’t include outside employment*
- 100% effort is all professional activities related to appointment (teaching, service, research, clinical, etc..)
What is Effort Reporting?

- The ONLY means that the Federal agencies have to verify that salary dollars were charged properly, either as direct-charges or cost-shared charges.
Why do we do Effort Reporting?

- OMB Circular A-21 § J10 (b)
- “a statement will be signed by the employee, principle investigator or responsible official(s) using suitable means of verification that the work was performed”
- Salary and wage charges to sponsored agreements are allowable only if they are supported / documented by an Effort Reporting System
Federal Regulations Governing Effort

- Required by OMB Circular A-21 -§ J.10 (b)
  - “Cost Principles for Educational Institutions”
- NIH Rev. 10/10
- OASC-3
  - HHS Cost Principles for Hospitals
  - “Compensation for personal services”
- OMB Circular A-122
  - Cost Principles for Non-Profit Organizations
  - “Compensation for personal services”
Role of the PI

- Award is made to JSU, however the PI is the “Steward” of the research project and funds
- University is legally responsible, but PI is accountable for
  - Scientific performance
  - Management of the project within the scope of work and funding limitations
  - Assurance that all policies are followed
  - Day to day operations of grant
Effort Reporting

- It is the statement of time actually worked on the specific project during the period versus the time that was budgeted for the project period.
- It is the **employee’s affirmation** that s/he indeed actually worked the amount of time promised in the proposal.
- The budgeted commitment is stated in the grant proposal.
- Provides verification of the appropriate amount of compensation charged directly to grants and contracts. Pay sources should reasonably reflect actual activity.
- Erroneously certifying effort can be viewed as **fraud**.
Why do effort reporting?

- Again-Erroneously certifying effort can be viewed as fraud.

- “Budgeted commitment” is not a fictitious number – it has real value in terms of determining effort for this project, as well as pending and other support.
Why Cont’d

- Integrity and responsibility in research
- Regulations require that JSU accepts these rules when we accept federal awards
- Both the PI and JSU are committed to the effort in the proposal
- Violations subject institutions and individuals to both civil actions and criminal prosecution
A-21 Requirements

- “After-the-Fact”
- Signed by the employee
- Signed by the Principal Investigator or responsible official
- Must be incorporated into official records
Internal Controls

- A-21 requirement: There will be an independent internal evaluation of the system's effectiveness conducted annually by an institutional office not directly involved in the operation of the effort reporting system.
- Hiring a Time and Effort Administrator
  - Nobody over 100%, reduction in effort will be required
  - Help with people no longer at the institution
  - Spot audits
How is my base salary calculated?

- **Institutional Base Salary**
  - The annual compensation that the applicant organization pays for an employee’s appointment whether that individual’s time is spent on research, teaching, or other activities.
  - Excludes any incomes that an individual may be permitted to earn outside of duties to the applicant organization.
  - May **NOT** be increased as a result of replacing institutional salary funds with grant funds.
What counts as effort?

- “Effort” the time you spend on an activity, expressed as a percentage of all the time you spend on your job duties as an employee of the institution.

- You must devote effort to the project at a level that corresponds with how you were paid from the project AND that you have met your commitments regardless of whether the sponsor did or DID NOT provide salary.
What counts cont’d

- Mentoring a graduate/undergraduate student is a “sponsored activity” only if the mentoring is specific to the research project, otherwise it is “instructional.”
- Regardless of where effort is expended (office, home) or when (after hours, on vacation, on weekend), these items should be included in your sponsored research effort.
What you can’t do on grant time

- Write a renewal
- Write another grant
- Mentor a post-doc, graduate or undergraduate student not on the grant
- Travel not related to the grant
- Teach, Admin duties
- Develop preliminary data for a different grant
Dr. Smith

- Estimates that on average she spent 6 days a week at work
  - 2 days/week on grant A
  - 2 days/week on grant B
  - 1 day/week on teaching
  - A few hours each week helping on Dr. Jones’s grant C
  - All other time was spent on developing new proposals, admin duties, etc...
<table>
<thead>
<tr>
<th>Activity</th>
<th>Effort %</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant A</td>
<td>33%</td>
<td>2/6 = 33%</td>
</tr>
<tr>
<td>Grant B</td>
<td>33%</td>
<td>2/6 = 33%</td>
</tr>
<tr>
<td>Grant C</td>
<td>5%</td>
<td>A few hours/week estimated at 5%</td>
</tr>
<tr>
<td>Sub-total</td>
<td>71%</td>
<td></td>
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<tr>
<td>University Activities</td>
<td>29%</td>
<td>100%-above</td>
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<tr>
<td>Teaching</td>
<td></td>
<td>Teaching 1 day per week = 1/6 or 17%; 17&lt;29%</td>
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<tr>
<td>Total</td>
<td>100%</td>
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</table>
## Dr. Jones

<table>
<thead>
<tr>
<th>Item</th>
<th>Hours Spent</th>
<th>% Effort</th>
<th>Notes</th>
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<tbody>
<tr>
<td>Grant A</td>
<td>15</td>
<td>23%</td>
<td>15/65</td>
</tr>
<tr>
<td>Grant B</td>
<td>10</td>
<td>15%</td>
<td>10/65</td>
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<tr>
<td>Grant C</td>
<td>20</td>
<td>31%</td>
<td>20/65</td>
</tr>
<tr>
<td>University Activities</td>
<td>20</td>
<td>31%</td>
<td>20/65</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>65 hrs</strong></td>
<td><strong>100%</strong></td>
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</table>
JSU- What is my teaching effort?

- 12 hours of UG/semester = 60% of 9 month appointment
- 60% of 9 months = 5.4 person months
- 24 hours UG = 5.4 person months
- 1 hour UG = 0.225 person months effort

- 1 hour of Grad = 0.3 person months
Buying out time Example 1

- Buy out 10% effort
- 10% effort = 1.2 person months
- 10% effort = 5.33 UG hours
- or
- 10% effort = 4 Grad hours
Buying out time Example 2

- You want to buy out 3 hrs UG and 3 hrs Grad
- $3 \times 0.225 = 0.675$ person months
- $3 \times 0.3 = 0.9$ person months
- $0.675 + 0.9 = 1.575$ person months
- $1.575$ person months $= 13.125\%$ effort
In short: What you need to certify

- Effort directly billed to a grant
- Release time paid by the grant
- In-kind commitment to the grant (written in the grant, budget or budget justification)
- Matching funds / Cost share
Two new items

- Deferred Compensation
  - 1 month (summer) = 8.33% effort each month

- Activity Codes
  - Release time
  - In-kind
How do we certify time now!

- No More PAPER!!!!
- Electronic and “After-the-fact”
- Links Directly to payroll; $ = effort
- Effort will be certified 4 times per year, not monthly!
Questions so far?