

Effort Reporting Compliance Overview



Agenda

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Definitions

Effort

The proportion of time spent on a particular activity expressed as a percentage of total time (institutional activities).

PERT (Personnel Effort Reporting Tool)

USF's official federal effort and committed cost share reporting system.

PERT Report

An electronic report, produced on a semester basis, that enables research personnel to certify (via GEMS Self-Service) the percentage of time spent working on federally sponsored awards or providing cost share to any sponsored award.

Key Personnel

The Principal Investigator (PI) and other individuals who contribute to the scientific development or execution of a sponsored award in a substantive, measurable way, whether or not they receive award compensation.

Institutional Activities

Includes:

- Patient care
- Research
- Chair and committee responsibilities
- Instruction
- Administrative responsibilities

Excludes:

- Professional activities for which you receive non-USF remuneration.
- Incidental University work for which extra compensation is paid.

Note: Effort is **NOT** measured on a 40-hour work week. It is based on the total work performed (per appointment/Empl Rcd) during the reporting period.

Types of Effort

Proposed Effort – Effort identified in a proposal submission to a sponsor committed by the PI or other key personnel.

Committed Effort – Effort that a University employee has agreed to work on a specific project. It is not necessarily the actual effort expended each month, but a projected amount to be achieved over the period of the award. This commitment is set at the time of the award.

- **Mandatory** – Committed Effort that is required by the sponsor as a condition of making the award and committed by the PI or other key personnel that must be monitored and reported once awarded.
- **Voluntary** – Committed Effort that is not required by the sponsor, but volunteered and committed to the sponsor by the PI or other key personnel prior to award, and must be monitored and tracked once awarded.

Uncommitted Effort – Voluntary Uncommitted Effort that is over and above that which is proposed, budgeted, and committed for a sponsored agreement that does not require monitoring or effort reporting.

Federal Regulation

[OMB Circular A-21, Cost Principals for Educational Institutions](#)

- A system of allocating salaries based on effort that is incorporated into the official records of the institution.
- Must reasonably reflect the activity of the employee.
- May be made initially on the basis of estimates, but significant changes must be identified and entered into the payroll distribution system.
- An after-the-fact confirmation by a “responsible person with suitable means of verification that the work was performed.”

Changes in Effort

Federal sponsors have common requirements regarding changes in key personnel status and level of effort.

- Right of approval for replacement of PI or key personnel.
- Notification in writing for key personnel:
 - Withdrawal from the project entirely.
 - Absence from project of ≥ 3 continuous months.
 - Reduction in level of effort $\geq 25\%$ from the committed effort.

Examples of 25% rule:

- Proposal: **10%** effort Changed to: **5%** effort
 - Change in level of effort is **50%** and needs prior approval.
- Proposal: **50%** effort Changed to: **40%** effort
 - Change in level of effort is **20%** so prior approval is not needed.

Note: The level of effort should continue during a No-Cost Extension, unless a change in effort is approved by the sponsor.

Salary Caps

Statutory limit on the salary base amount that can be awarded and charged to NIH, SAMHSA and AHRQ grants and contracts.

- Individuals with salaries over the cap must provide cost sharing from non-federal funds for that portion of their salary over the salary cap.
- [Current NIH Cap](#) = \$179,700 annually

Salary Cap Example:

Dr. Einstein

- 100% appointment;
- 10% effort committed on this project
- Institutional base salary \$225,000
- Current cap is \$179,700
- Salary proposed from NIH: \$17,970 (10% * \$179,700)
- Salary cost shared: \$4,530 (10% * (\$225,000 - \$179,700))

Department Responsibilities – PI & Department Research Administrator (DRA)

- Manage committed effort.
- Distribute salary to project and/or cost share via GEMS combination codes.*
- Compare calculated effort based on pay distribution to committed effort and prepare PERT reports for certification.**
- Review effort report for accuracy and then [certify](#).

*To learn more about salary/pay distribution refer to the TRAIN® Pay Distribution for Research Administration workshop guide: <http://www.research.usf.edu/train/docs/pay-distribution.pdf>

**To learn more about how PERT reports are prepared for certification refer to the PERT Department Representatives workshop guide:
http://www.research.usf.edu/files/pert/PERT_DR_Workshop_Guide.doc

Central Administration Responsibilities

Sponsored Research

- Enter Key Personnel to FAST Grants Module.

Research Financial Management

- PERT Management.
 - Generate and release reports to Department Representatives.
 - Monitor and report departmental progress.
 - Follow-up on outliers.
- Effort Compliance Monitoring.
 - % Salary > % Certified Effort.
 - 100% Effort.
 - Untrained Certifiers.
 - Key personnel with no effort (over 3 consecutive semesters).
 - NIH salary cap violations.

Red Flags

- ❏ Late or missing effort reports.
- ❏ Faculty paid 100% on sponsored projects with:
 - Teaching/Administrative responsibilities/student counseling.
 - Grant writing effort.
- ❏ Salary transfers:
 - At end of grant.
 - Conflicts with certified PERT report
- ❏ Actual effort \neq committed effort.
- ❏ No effort during a No-Cost Extension.

Audit Findings & Settlements

DHHS OIG Audits

- Overstated commitments in proposal (exceeding 100% effort).
- Inadequate process to compare proposed effort to actual effort.
- Proposed effort not met.

Individual Federal Agency Audits

- Overextended proposed effort (exceeding 100%).
- Inadequate process to compare proposed effort vs. actual effort.
- Proposed effort not met.
- No allowance for non-sponsored activity (e.g., proposal writing).
- Salaries charged to grants with no effort on grant.

Examples of Financial Settlements with the Federal Government

- FIU – \$11 million
- Yale - \$7.6 million
- Northwestern - \$5.5 million
- **USF - \$5.5 million**
- Johns Hopkins - \$2.6 million (for one PI)
- East Carolina University - \$2.6 million

Other Resources

Website References

- Research Financial Management (RFM)
 - <http://usfweb2.usf.edu/uco/research/>
- PERT Website (RFM Compliance)
 - <http://usfweb2.usf.edu/uco/research/pert.asp>
- PERT Training Website (RFM Compliance)
 - <http://usfweb2.usf.edu/uco/research/pertraining.asp>
- Sponsored Research
 - <http://www.research.usf.edu/dsr/sponsored-research.asp>

Contact Information

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Congratulations



You have completed this module!

