Policy 7.17
Effort Reporting

Responsible Official: VP for Research Administration
Administering Division/Department: Sponsored Programs
Effective Date: September 01, 2008
Last Revision: November 12, 2014

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 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). 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.

Applicability

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

Policy Details

1.1 Definitions

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.

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 any 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.
**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 for 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 reporting period.

Effort forms must be certified by individuals who can ensure that the records accurately reflect the work performed. Individuals should certify their own effort report whenever possible. 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 semi-annual certification of exempt and non-exempt employee effort certification forms. The semi-annual effort periods are: September - February and March - August. Per OMB Uniform Guidance, “The non-Federal entity’s system of internal controls includes processes to review after-the-fact interim charges made to a Federal awards based on budget estimates. All necessary adjustment must be made such that the final amount charged to the Federal award is accurate, allowable, and properly allocated.” To ensure compliance with this requirement, the certification of all effort forms must be completed within 90 days of the end of the effort period and the submission of related cost transfers must be completed by the earlier of (A) within 90 days of the end of the effort period or (B) within 60 days following the end of the award. This requires that all salary cost transfers are processed within this period. In the case that the final invoice and/or report is due earlier than 90 days, the salary costs will be required to be reflected on the sponsored project at an earlier date in order to allow time for final invoicing and/or reporting.

**1.4 Committed Effort**

Principal Investigators (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 period. 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 any effort period. Rare exceptions may be granted in unique situations where the funding agency expressly approves of 100 percent effort such as on career awards.

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. 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, please 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. Effort previously allocated as clinical effort may be used as cost sharing when used to achieve the objectives of a sponsored project and is in accordance with the terms of this policy.

1.6 Salary Caps

Federal awards issued by HHS (U.S. Department of Health and Human Services) agencies (which include NIH, CDC, HRSA, AHRQ, SAMHSA, and many others) 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 salary cap automatically incur cost sharing on all of their HHS 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 award. All research effort must equal or exceed the minimum effort required by the K award.

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, without prior approval from NSF, 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 their academic salary in the summer. PI's charging 3/9ths of their academic year salary in the summer must be aware that they have no effort available for new proposal development or other administrative duties. 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).

**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 the sponsor’s requirements).

Some effort should be provided by PIs on research awards; there is no 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.

**Related Links**

- Current Version of This Policy: [http://policies.emory.edu/7.17](http://policies.emory.edu/7.17)
- [OMB Circular A-21](http://www.whitehouse.gov/omb/circulars_a021_2004)
- [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)

**Contact Information**

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**Revision History**

- Version Published on: Dec 17, 2010 (*Updated to reflect OMB Uniform Guidance changes.*)
- Version Published on: Dec 17, 2010 (*Addition of last sentence to Section 1.5 Cost Sharing*)
- Version Published on: Aug 24, 2009 (*Edit to Paragraph 1, Section 1.4*)
- Version Published on: Aug 13, 2009 (*Edits to Section 1.4 Committed Effort.*)
- Version Published on: May 01, 2009 (*Added OMB and NIH related Links and updated contact information.*)
- Version Published on: Dec 16, 2008 (*Original Publication*)

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