Time and Effort Reporting
Understanding US Federal Funded Project Requirements

Grants Management Office (GMO)
What is effort?

Total effort is defined as whatever amount of time a person devotes to fulfilling his/her university responsibilities.

OMB Circular No A21 J10c(2)(a)-(f)

Effort Reporting is...

A way for an employee to certify that

1.) Effort supported (paid) by a US federally sponsored project has been performed as promised.

2.) Effort expended in support of a US federally sponsored project but not paid by the project has been performed as promised

Effort Reporting is required by US federal regulation and university policy for all individuals working on US federally funded sponsored projects. This makes sure the salary sources for the period match the effort spent for the period.

OMB Circular No A21 J10c(2)(a)-(f)

Why is Effort Reporting important?

Signed effort reports are considered legal documents in which an individual attests to the accuracy of the effort spent on sponsored projects. Erroneously certifying effort reports can be viewed as fraud. We are obliged by US federal regulations to exercise good stewardship of grant funds:

1.) Effort is a part of that stewardship
2.) Personnel costs are the majority of research costs

*False Claims Act, 31 U.S.C., sections 3729 & 3721*

A lack of good understanding may leave project directors at risk for making decisions that increase effort reporting compliance risk.

*OMB Circular No A-133 Section_.525(d)(1)*
Fines levied and recent audits:

Northwestern University - $5.5 million (2003)
Johns Hopkins University – $2.6 million (2004)
East Carolina University - $2.4 million (2004)
Harvard University/Beth Israel Deaconess Medical Center - $3.25 million (2000 & 2004)
Dartmouth - $37,780 (2005)
University of Connecticut $2.5 million (2006)
How is investigator effort determined?

NOT based on 40 hour work week
Based on 100% of investigator activities
- Sponsored project activities
- Non-sponsored project activities

► Administration (including duties as chair, dean, etc)
► Instruction
► Clinical activities
► Research w/o external funding

For example:

If you work 60 hours a week, 30 hours represents 50% effort
If a graduate student works 20 hours a week, 20 hours represents 100% effort.

OMB Circular No A122 8m(2)(b)
OMB Circular No A21 B1a-b

http://www.whitehouse.gov/omb/circulars
How do I calculate the % of effort?

Estimate of weekly hours spent on sponsored project
__________________________________________________________ = % Effort on
Total hours in an average work week

Sponsored Project
Components of 100% effort:

Examples: Sponsored Project Activities

• Effort on US federal grants or contracts (e.g. NIH, NSF, DOD)
• Effort on non-US federal research projects (e.g. a foundation grant or industry sponsored award)

Effort for a specific funded sponsored project:
  Writing progress reports; holding a meeting with lab staff; presenting research results at a conference; reading journals to keep up to date with the latest advances in the project topic area
  Even if the project work is not completely paid for by sponsor (e.g. salary cost sharing)

Examples: Non-Sponsored Project Activities

• Attending general departmental faculty meetings
• Serving on the university committees
• Serving on an NIH Study Section or NSF Peer Review Panel

Activities NOT included in 100% effort:

- For example, consulting for pay through a non University consulting agreement
- If you have any questions about whether an activity is or is not part of the 100%, check with the Office of Budget and Sponsored Operations
Can the total effort listed on the Effort Report be less or Greater than 100%?

NO.

- The effort percentages on the Effort Report must total 100%.
- All UNSW compensated effort (base salary) must be accounted for.
- Regardless of the total number of hours worked in a week, 10 or 60, the total effort is still 100%

OMB Circular No A21 J10(a)

Pay sources should reasonably reflect activity.

*OMB Circular A21 J10b(1)(c)*

“In the use of any methods for apportioning salaries, it is recognised that, in an academic setting, teaching, research, service and administration are often inextricably intermingled.”

“A precise assessment of factors that contribute to costs is not always feasible, nor is it expected. Reliance, therefore, is placed on estimates in which a degree of tolerance is appropriate.”

**To Paraphrase…**

Distribution of effort should represent a reasonable estimation of the actual effort expended during the term being certified.

Helpful hints to determine a reasonable estimate of actual effort:

A variety of resources may be useful in jogging one’s memory:

- clinical time reports and schedules
- teaching schedules
- outside activity forms
- “other support” forms
- leave reports
- calendars
- correspondence
Who certifies Time and Effort Reports?

Each individual is responsible for the certification of his/her own Time and Effort Report.

US federal requirements are that anyone certifying effort for another individual must credibly have first hand knowledge of the individual’s actual effort.


OMB Circular No A21 J10c(2)©
Red Flag Issues

• Late effort reports
• Effort certified by someone without first-hand knowledge
• Percentage left outside of sponsored project % not credibly sufficient to cover teaching, clinical, administrative or other university work.
• Revisions to Time and Effort Reports
• Significant data inconsistency between effort report and other documentation such as:
  - Clinical time reports
  - Outside activity forms
  - Other support forms
  - Leave reports

OMB Circular No A133
Section_.525(d)(1)
Key Points:

• The compliance environment has become more stringent...and that is not likely going to change in the foreseeable future.
• The individual is responsible for certifying his/her own effort.
• The % is NOT based on a 40 hour work week. It is based on the individual’s own work week.
• Effort reporting tracks the **reasonable approximation of actual activity** on projects and should not simply mimic budgeting amounts.
Further information can be found at:

OMB Circulars
http://www.whitehouse.gov/omb/circulars/

NIH Grants Policy Statement

NSF Proposal Guide

US federal Demonstration Partnership
http://thefdp.org/