TIME AND EFFORT REPORTING

Morehouse College
Grants Accounting Office
WHY report effort?

- Federal Requirement - OMB Circular A-21, Cost Principles for Educational Institutions, Section J.10 – Compensation for Personal Services requires that:
  - institutions develop a mechanism to confirm how individuals actually expended effort during a specified time period
  - effort reports must be generated on a regular basis
  - Effort reports must be certified by an individual who has suitable means of verification of the employee's activities

- Effort reporting is our means of providing assurance to the federal government and our federal sponsors that our faculty and staff have met their commitments, paid or unpaid, to extramural projects.
Federal Requirements

Why are Time and Effort Reports Required?

- Verify that salaries paid were warranted
- Verify that effort commitments are met
Federal Requirements

What if YOU do not comply?

- Gov't wants its money (taxpayer) back
- Fines and Penalties, Debarment
- Bad Press and Reputation for Morehouse College
- Loss of future funding
- Possible criminal penalties for PI/PD
- Can result in institutional and individual disallowances
Importance of Effort Reporting

- National attention focused on Effort Reporting
  - Office of Inspector General (OIG) work plan
  - Large University/College financial settlements
- Local Attention
  - Independent Audit Reports
  - Compliance review-internal monitoring
Financial Settlements

- Northeastern $5.5 million
- Johns Hopkins $2.5 million
- South Florida $4.1 million
- East Carolina University $2.4 million
- University of Connecticut $2.5 million
- Harvard University/Beth Israel Deaconess MedicalCtr $3.25 million

PLUS LEGAL FEES
Effort Reporting Cycle

- Faculty and Staff Appointments
- Pre-Award
  Preparing the proposal budget
- Post Award
  Charging Salary
  Certifying Effort
Faculty & Staff Appointment

- Documented in Human Resources
- Full time equivalents (FTE)
  - 9 months
  - 12 months
Preparing Proposal Budget

- PI/PD must have some proposed effort on the project
- Proposed effort is a commitment to the sponsor that must be honored and tracked if awarded
- Salary expense represents the largest direct cost component included in the budgets of most sponsored projects.
Faculty Effort

- Academic Year
  - Maximum of 20% FTE over base salary
  - Maximum 25% release time per course
  - Maximum of 2 courses per academic year (50% release time)
- Summer Salary
  - 3 months
  - Months may be limited due to agency guidelines
    - NSF only 2 months summer
  - Sum of effort for all Morehouse activities, including sponsored projects, must equal 100%
Charging Salary

Salary is charged based on award

- Posted to account as actual activity occurs

Salary charges must be commensurate with actual effort expended (not > than effort)

Must have Prior Approval from agency for changes

- PI time devoted to project is reduced by 25% or more from the level in the approved application.
- He/she relinquishes active direction of the project for more than three months
Certifying Effort

Who must report effort?
- All employees who have salary or wages charged or cost-shared (unpaid) to federal sponsored project

What kind of pay is included?
- ALL payments made by the College
How Effort is Measured

- Effort is based on 100% of your activities for which you are compensated by Morehouse College regardless of the amount of time it takes to complete those duties.

Activities Used To Measure Effort includes:
- Sponsored project activities
- Non-sponsored activities
- Administration (including duties as chair, dean, etc.)
- Instruction (teaching)
- Research (excludes externally funded research)
Components of 100%

Sponsored project activities include:

- Effort on federal grants or contracts*
  (e.g., NIH, NSF, DOD)

- Effort on non-federal research projects*
  (e.g., a foundation grant)

- Administrative effort related to a sponsored project*
  - Writing progress reports
  - Holding a meeting with staff
  - Presenting research results at a scientific conference
  - Reading scientific journals to keep up to date with the latest advances in the project topic area.

* Even if your salary is not completely paid by the sponsor (i.e. salary cost sharing)
Components of 100%

Non-sponsored activities include:

- Teaching
- Department Chair duties
- Attending general departmental faculty meetings
- Serving on College committees
- Proposal preparation