

POLICY AND PROCEDURE

Department: Centerwide Policy

Subject: Effort Reporting Policy

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Reason for Policy

The SUNY Research Foundation at Downstate Medical Center receives funding for research, sponsored project, and public service grants and contracts provide by the federal, state and local government agencies. As a condition of accepting such funding, the Research Foundation must comply with all applicable federal regulations including the Office of Management and Budget (OMB) Circular A-21 “*Cost Principles for Educational Institutions*”. This Circular establishes the principles for determining the costs that may be charged to federally sponsored research grants and contracts by a research institution.

The governing regulations are found in (“OMB”) Circular A-21, , Section J.10., *Compensation for Personal Services*, describes the principles that determine the allowable compensation costs that can be charges to federally sponsored projects. Also, this section mandates implementation of an effort reporting system to distribute compensation across all of the relevant activities of research staff, and to apportion allowable compensation to and between sponsored projects. It further describes the acceptable methods for effort reporting, including how to distribute, apportion, confirm and document the allocation of compensation to federally sponsored projects.

The goals of this policy and procedures are to:

- Comply with the requirements of OMB Circular A-21 regarding allowable personal services costs paid by federal, state or local agencies,
- Provide clear guidance to research faculty and staff to properly determine, verify and document personal services costs allocated to federal sponsored programs,
- Describe how to properly access and use the SUNY Research Foundation Effort Certification system, and

- In OMB Memoranda 01-06, “Clarification of OMB A-21 Treatment of Voluntary Uncommitted Cost Sharing and Tuition Remission Costs”, January 05, 2001.

These regulations state that institutions receiving FEDERALLY-FUNDED sponsored programs must maintain systems and processes that document the distribution of activity and associated payroll charges to each individual sponsored agreement.

Statement of Policy

The Research Foundation and Downstate Medical Center complies with federal effort reporting requirements and has implemented a system to accumulate and document costs charges to sponsored agreements

The Principal Investigator (PI) or a department representative must ensure that all costs charged to sponsored projects are appropriately based on the established policies of the SUNY RF and DMC and conform to the requirements of the sponsor. Furthermore, for personal compensation costs, the PI must ensure that their own reported effort and the effort reported by other personnel directly charged to their projects is accurate and reflects the work actually performed on the projects during each reporting period.

Whose Effort is Required to be Certified

The RF and DMC requires that all faculty paid from sponsored research funds and/or who apply effort to sponsored research projects, report and certify, on a semi-annual basis, that the amount of effort charged by them to each project during the six-month reporting period reasonably reflects the effort actually performed on the project.

The effort charged for other research staff, Exempt and Non-Exempt personnel, working directly on a sponsored project may be certified by the PI or by a person (e.g. departmental administrator or key project staff member) designated by the PI, that has first-hand knowledge of such staff member’s daily activities related to the sponsored project. Delegation does not reduce the PI’s responsibility to ensure that the effort charged to their projects is accurate and reflects no more than the work actually performed.

The Department Chairperson is responsible for effort reporting and effort certification compliance for sponsored projects performed by personnel in their departments.

Expectation for Faculty Effort in Proposals

In accordance with memorandum M-01-06 to OMB Circular A-21, most Federally-funded research programs should have some level of committed faculty (or senior researchers) effort, paid or unpaid by the Federal Government. Some types of research programs, such as programs for equipment and instrumentation, doctoral dissertations, and student augmentation, do not require committed faculty effort. This principle extends to all non-federal

sponsored projects, including fixed price contracts and clinical trials, due to requirements for consistent costing methodology regardless of funding sources.

Reduction of Effort Commitments When Awarded Budget is Less than Proposed

When an awarded budget is less than proposed, the Principal Investigator must determine the impact on effort commitments. Generally, an overall scope reduction should be considered when the budget is reduced by 25% or more, along with a reduction in the effort commitment. This is consistent with DMC's policy on cost sharing. For most sponsors, prior approval must be obtained if effort is reduced by 25% or more. The PI and department administrator should work with the sponsored program offices in obtaining sponsor approval.

Reduction of Effort Commitments When Awarded Effort Exceeds 100%

When awarded effort on multiple projects exceeds 100%, effort must be formally adjusted downward. In some cases this may be done by making minor adjustments of less than 25% on all or some of the awards. In other instances the adjustment on an award may be 25% or more, and sponsor prior approval must be requested. In any event, the sponsor of the award where total effort would have exceeded 100% must be informed of the revised effort portfolio.

Method for Certification

The RF's EFFORT CERTIFICATION method is After-the-Fact Activity Records as defined by OMB Circular A-21, Section J.10.c.(2).

When to Certify Effort

EFFORT STATEMENTS should be certified in a timely manner after they have been reviewed by campus effort reporting administrators and released to certifiers (for example, certification should typically occur within 90 days of the last day of the reporting period being certified). Exceptions can occur when extenuating circumstances exist and these must be documented.

How to Certify

Following the close of the period to be certified, you will receive a notification that your effort report is available for certification. By using your login credentials, access your effort report in the ecrt system, and review for accuracy. Remember, what you need to certify to, is "how you actually spent your time" during the report period. Not how you budgeted your time, or how you charged your salary, but how you spent your time; these sometimes do not match, and may need to be adjusted before you certify. However, if the report truly represents how you applied your effort, then it is okay to certify. If you see that your effort and commensurate salary does not properly reflect what it should, contact the Office of Grants Administration, Human Resources, and have the necessary corrections reflected before you certify.

Records Retention

EFFORT STATEMENTS and the applicable documentation to support the certification must be retained in accordance with the RF [Records Management Policy](#).

Definition of Terms

In order to calculate applicable Facilities and Administrative (F&A) cost rates, direct costs must be accumulated by major functions of the institution, and F&A costs must be identifiable to each of the major functions. The RF's accounting system establishes an individual cost center in which costs are accumulated for each activity in which there is a need to report costs for management purposes. The labor distribution and cost accumulation system used by the Foundation are categorized within the accounting system so that major functional costs are easily identified and summarized.

While compliance with the policy statement is required for time & effort reporting for all employees, fellows, and graduate students, it is particularly important for the following effort areas:

Effort – work or portion of time spent, expressed as a percentage of total time, on all activities performed on behalf of the Research Foundation within the scope of the individual's appointment or employment within DMC, and paid through the RF payroll system.

Effort Reporting – effort reporting encompasses a number of processes including committing effort, tracking effort applied to the various activities performed, adjusting effort based upon actual time spent, and certifying that the effort is accurate and reflects the work actually performed on the projects during the reporting period.

Effort Statement – Is the documentation used to record and certify an employee's actual effort on individual sponsored agreements

Effort Certification – Is the affirmation by the certifier that the reported effort statement percentages are reasonable and accurate in relation to the work performed. Examples of this affirmation include electronic signature, manual signature or e-mail verification.

Proxy Certifier – An individual delegated the authority to certify effort for another individual. An individual in either of these roles has first-hand knowledge of the individual's effort and suitable means of verifying that the work was performed.

Suitable Means of Verification – Is an indication that the person certifying the effort on behalf of another individual has reasonable knowledge of the work performed by the other individual. Reasonable knowledge can be established by direct knowledge of the certifier, review of payroll records, or the monitoring of sponsored program documentation in support of the work performed.

Sponsored Instruction includes instructional activities funded by external sponsors.

Organized Research – Includes funding for sponsored research programs from federal, federal flow-through, non-federal sponsors, or institutional sources which are separately budgeted and accounted for as research.

Examples include:

- Planning of and experimental work on the awarded project (but not proposal writing for new or renewal support)
- Preparation of project results
- Supervision of employees on project
- Correspondence and general participation in project related activities
- Readings directed toward project goals
- Programmatic effort related to a specific project
- Meetings related to the specific sponsored project

Other Sponsored Activity represents programs and projects financed by federal and non-federal sponsors, which involve the performance of work other than Instruction or Sponsored Programs. Examples of such programs and projects are health service projects, and community service programs. However, when any of these activities are undertaken by the institution without outside support, they may be classified as other institutional activities.

Cost Sharing represents any additional effort expended on sponsored project in excess of the amount, which has been funded by and charged directly to the sponsored project. Any explicit commitment to cost-share salary included in a proposal to a sponsor (whether voluntary and mandatory) becomes a condition of that award once the proposal is funded, and it must be separately tracked by project and certified in the effort reporting system. See the policy statement, *Cost Sharing*, for additional explanation.

Non-Sponsored Instruction represents teaching activities. Examples are:

- Scheduled courses
- Curriculum development
- Continuing education (excluding overload assignment, paid by payroll voucher)
- Academic advising
- Supervising undergraduate, graduate and postdoctoral students in work not related to sponsored agreements
- Short courses, meetings, or developmental assignments related to instruction

Departmental Research represents research effort supported by department, college, not separately budgeted should be reported here. This also includes developmental assignments related to research. Effort related to separately budgeted Institutional funded research and to externally sponsored research projects should be reported under Sponsored Research.

Institutional Base Salary (IBS) - IBS is the annual compensation paid by the Medical Center for an employee's

appointment, whether that individual's time is spent on research, teaching, patient care or other activities. The IBS does not include bonuses, one-time payments or incentive pay. Also excluded from the IBS is salary paid directly by another organization including but not limited to the Veterans Administration Hospital or Kings County Hospital Center and income that an individual is permitted to earn outside of their Medical Center responsibilities such as consulting.

Institutional Base Salary:

- may not be increased as a result of replacing Medical Center salary funds with sponsor projects funds;
- is established by the Medical Center in an annual letter regardless of the source of funds;
- includes regular salary and also a second assignment such as chair of a department which is part of their overall duties; and
- excludes bonuses, honoraria, and extra compensation (for a complete list click [here](#) to review the Earnings Elements list for effort reporting purposes).

100% Effort:

One Hundred percent (100%) effort is defined as the effort expended to accomplish the set of activities encompassed by the DMC appointment, regardless of the actual numbers of hours expended on those activities. 100% effort is not defined as a single standard of hours or days per week since it will likely be different for each faculty member and may vary during the year. The number of hours implicit in any individual faculty member's 100% must be reasonable and supportable to the department, school, Medical Center and external reviewers if requested.

Clinical faculty activities included in the basis for effort percentages and salary distributions may include activities paid as part of the DMC appointment that represent services performed in an administrative role for the Downstate Hospital.

Faculty effort devoted solely to sponsored projects usually does not equal 100% due to other institutional commitments and the effort required to write proposal applications for new or renewal funding. Therefore additional care should be taken when any faculty member's sponsored activity exceeds 95% to assure that all institutional effort is properly accounted for when charging salary and certifying effort.

Retroactive Adjustments

A request for retroactive adjustment to an effort certification that exceeds 90 days or is processed for a previous effort reporting period requires a Letter of Justification to DMC Research Administration. Refer to the RF Effort Reports Affected by Retroactivity report to determine if retroactivity has changed the distribution and requires new

effort reports. If necessary, ensure that payroll or IFR charges related to a five percent or more change in effort are transferred to the appropriate award.

Responsibilities

The following table identifies the responsibilities for compliance with this policy:

The following responsibilities apply to the principal investigator:

- Understand and apply the federal government, sponsor-specific, institutional, and RF requirements for EFFORT REPORTING in relation to the sponsored programs lifecycle.
- Communicate with appropriate departments to ensure the accurate and timely processing of labor distribution adjustments, and the appropriate allocation of salary costs.
- Ensure that all information reflected on the EFFORT STATEMENT (e.g., COST SHARING) is accurate and reasonable in relation to the work performed; and make corrections as appropriate.
- Ensure that his/her own EFFORT – and the EFFORT of the other persons he/she is responsible for – is certified accurately and timely.
- Monitor the charging of salary on sponsored agreements to ensure appropriate costing criteria is applied.

The following responsibilities apply to various other campus roles (e.g., deans, provosts, department chairs/directors/administrators, institutional officials, operations managers, vice presidents for research) depending on the campus specific structure:

- Understand and apply the federal government, sponsor-specific, campus, and RF requirements for EFFORT REPORTING in relation to the sponsored programs lifecycle.
- Review the establishment of salary charges, COST SHARING, and committed effort on sponsored proposals/agreements to ensure reasonableness in relation to the project scope-of-work.
- Review faculty appointments and annual salary.
- Maintain effective internal processes and take corrective action with uncertified EFFORT/delinquent EFFORT statements, and the falsification of information on the EFFORT STATEMENT.
- Assist principal investigators with the negotiation of EFFORT levels with sponsors if necessary.
- Maintain effective internal processes to ensure compliance with the applicable and associated policies and procedures.
- Maintain effective internal processes to ensure the accurate and timely processing of labor distribution adjustments and the appropriate allocation of salary costs across various sponsored and non-sponsored accounts.

The following responsibilities apply to campus sponsored program offices (e.g., pre-award, account establishment, post award, human resources) depending on the campus specific structure:

- Understand and apply the federal government, sponsor-specific, campus, and RF requirements for EFFORT REPORTING in relation to the sponsored programs lifecycle.
- Provide campus oversight for the operation and maintenance of the EFFORT REPORTING system.
- Provide campus oversight for the EFFORT STATEMENTS by assuring their accurate and timely coordination, distribution, and collection.
- Maintain campus EFFORT REPORTING procedures and provide education/training.
- Respond timely to coordinate/process labor distribution adjustments to ensure appropriate allocations of salary costs throughout the sponsored programs lifecycle.

Related Information

[OMB Circular A-21: Cost Principles for Educational Institutions](#)

[OMB Memoranda 01-06: Clarification of OMB A-21 Treatment of Voluntary Uncommitted Cost Sharing and Tuition Remission Costs, January 05, 2001](#)

Research Foundation: Effort Certification Training for:

- [Principal Investigators](#)
- [Proxy certifiers](#)
- [Restricted effort coordinators](#)
- [Administrators](#)

Research Foundation: [Cost Sharing Policy](#)

Research Foundation: [Cost Sharing: Guide for Administrators](#)

Research Foundation: Certification of Salary Distribution (Effort Reporting): Exempt RF and SUNY Employees

Research Foundation: [Records Management Policy](#)

Research Foundation: Assigning Extra Service Policy

State University of New York: [Faculty Salary Recovery from Sponsored Programs \(Document Number 1002\)](#)

Forms

DMC Research Proposal Application Review/Signature Worksheet (% effort committed, % salary to be charged)

Sponsor Proposal Application Forms (various)

RF Effort Reporting Roster