Effort Reporting
So what’s the big deal?

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Federal Requirements

OMB circular A-21:
cost principles for educational institutions

section J.10:
Compensation for personal services
(4 pages of small print)
Federal Requirements

Why do they require effort reports?

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

What if we don’t comply?
• Gov’t wants its (taxpayer) money back
• Fines, penalties
• Bad press for UD
• Loss of future funding
• Possible criminal penalties for PIs
Federal Requirements

A few main topics on effort reporting in A-21

• Whose effort must be reported
• What types of payments are included
• Frequency of reporting
• Who is allowed to certify reports
Federal Requirements

Who must report effort?

All employees who have salary or wages charged or cost-shared to sponsored projects

Two categories of employees: hourly or salaried

Examples: faculty, grad students, post-docs, salaried staff, professional staff, misc. wage
Federal Requirements

What kind of pay is included?

Payments made by the University – no outside income

Compensation for activities related to the employee’s main appointment – no special one-time payments or supplemental pay for work outside the employee’s normal responsibilities

7/20/2009 Effort Reporting
Federal Requirements

Who’s certification is needed?

Either the individuals themselves, or someone else with *suitable means of verification* of their effort.

Def: “*suitable means*”- having the type of relationship to the work of the individual which allows for validation of the effort.  *Huh?*

Ex: a supervisor, faculty advisor or project PI
How do we meet the requirements at UD?

**Hourly wage earners**

Time sheets are their effort reports
Document dates & hours worked
Purpose/Project
PI or Supervisor signature
Fed requires minimum monthly submission
Backup kept by Department
How do we meet the requirements at UD?

**Salaried employees**
- Separate effort reporting process
- Salary data from GL
- Twice yearly reporting
- Employees certify their own reports
- Reports kept by Research Office
- Separate backup kept by Department
How do we meet the requirements at UD?

Effort Reporting Process

1. Salary is allocated to reflect effort
   Cost-share effort included
   Faculty workload is reflected in the LAM
   instruction, service, dept. research, sponsored research, public service

   Regular communication w/faculty is key
   Update distributions as changes occur
How do we meet the requirements at UD?

**Effort Reporting Process, cont.**

2. Effort reports are created once every 6 months
   - Period 1: Sept-Feb (ex: AY091)
   - Period 2: March-Aug (ex: AY092)
3. Effort administrators review reports and forward to employees
4. Employees review, request revisions, then certify
5. Effort admins certify & submit to Research Office
How do we meet the requirements at UD?

Effort Reporting System

- Web-based interactive reporting program
- Combined data from GL, HR & Grants
- Routes reports for required certifications
- Mechanism for revisions
How do we meet the requirements at UD?

**Effort Administrators**

- One per department/unit
- Perform pre-review of new effort reports
- Distribute reports to dept. employees
- Guide employees in policies and procedures
- Revise reports via salary transfers as needed
- Facilitate timeliness of completion
How do we meet the requirements at UD?

Effort Manager (new!)

- New position in Research Office
- Single point of contact for effort information
- Ensure functionality of reporting system
- Ensure compliance with federal regulations
- Approve requests for report revisions
- Train & support dept. administrators
How are we doing?

Internal Review

• Lack of control over report revisions
  (too many cooks in the kitchen with no common recipe)
• Signatures must be required on hourly timesheets
• Purpose/Project must be required on timesheets
• Policy needs clarification
• Many improvements result 😊

But wait, there’s more!...
NSF comes knocking at the door. We’re one of 30 lucky winners! (no, it’s not an all expense paid vacation)

NSF audit of UD effort reporting policies & procedures
Main purpose is to determine whether the internal controls over salary & wage costs claimed on NSF grants are properly managed, accounted for, and monitored.
How are we doing?

Audits have good points too (seriously)

• Learning opportunity
• Opportunity for improvements
• Good timing for this one
How are we doing?

The investigation

- Interviewed sample of 30 employees paid on NSF grants
- Compared effort reported in interview to certified reports
- Checked amounts paid vs. approved salary rates
- Checked accuracy of effort reports
- Checked compliance of UD polices & procedures
- Tested employee knowledge of policies & procedures
DISTURBING REVELATIONS
Employees didn’t understand the meaning, Importance, policies or procedures of effort reporting

very few had received any guidance on certifying effort reports
Many of the audited effort reports had been certified after their deadlines.

Some were not done at the time of the employees’ audit interviews. A few required corrections before they could be completed.
NSF Effort Audit

Many reports were certified with incorrect information

Errors due to multiple factors

JV-related errors
  Salary JVd in the wrong effort period
  Purpose codes mistyped

Nobody told me it had to be right
NSF Effort Audit

Many reports were certified with incomplete information

Unreported cost-share effort
Unreported summer salary
Unreported departmental research

100% means ALL University effort
Effort cannot exceed 100%
NSF Effort Audit

Multiple un-timely salary transfers (way, way, way past 90 days)
Indicates improper management of Federal funds

Fed to Fed transfers
Allowing pay to hit an account the employee is not working on until a new award is set up is not appropriate.
Indicates improper use of Federal funds
NSF Effort Audit

Professional staff member gets paid extra for putting in “extra” effort.
Lessons Learned

Policies and procedures need some beefing-up. Roles & responsibilities must be defined.

Policies must be enforced (timeliness is a big one)

Training is needed for administrators and PIs

Instructions & information must be more readily accessible
Improvements Galore!

- Single point of contact for effort issues/questions
- Policies and procedures are being refined with more detail
- Instructions added to reports
- Explanation added to automatic email notifications
- Effort FAQs being expanded
- GMQ effort period queries
- Interactive on-line training in development
More Progress!

Controlled access for report creations
Tighter controls on report revisions
Salary JVs over 90 days require Effort Manager approval

Account 121900
JVs to correct effort periods!
Continual improvements to Effort Reporting System
Who could ask for anything more!?

Well…
Stay tuned for more news to come.
The audit’s not over yet.
Resources

UD Electronic Effort Reporting System
https://cas.nss.udel.edu/cas/login?renew=true&service=https://primus.nss.udel.edu/effortcert/login.action

UD Effort Reporting Policy
http://www.udel.edu/ExecVP/policies/research/6-05.html

Effort Reporting Training
http://www.udel.edu/research/training/?panel=1

Manager of Effort Certification
effortcert@udel.edu

FAQs
http://www.udel.edu/research/preparing/faq.html