Faculty / Certifier Effort Reporting

Accounting Services for Research and Sponsored Project (ASRSP)

https://www.northwestern.edu/asrsp/costing/effort-reporting.html

Project Contact: Christina (Tina) Mete (c-mete@northwestern.edu)

The Compliance Challenge

- Be a champion for research compliance
- Protect Northwestern's investment in a safe research environment
- Pave the way for making the highest impact discoveries

Meet the Challenge!

- Understand relevant Federal regulations and the Northwestern policies that support these regulations

- Follow established Northwestern Effort Reporting procedures

Why Report Effort?

Why Reporting Effort?

- As a recipient of Federal research funding, it is required by the Uniform Guidance (2 CFR Part 200) that Northwestern fulfills the requirements set forth in Section 200.430, Compensation – Personal Services

- Effort Reporting is the approach Northwestern utilizes to fulfills the requirements

Effort Reporting Verifies:

- Appropriate salaries and wages were charged to sponsored programs

- Cost Sharing (Mandatory and Voluntary Committed) was performed as promised

Labor represents ~ 75% of direct research costs
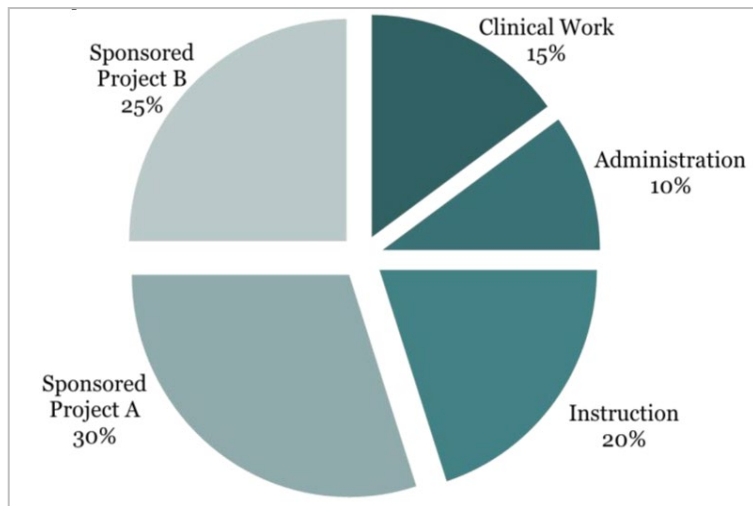
What is Effort?

- 100% Effort
  - Estimated total time/hours an individual devotes to University-compensated activities during that reporting period (e.g., quarterly)

- A portion of 100% Effort is allocated to each university-compensated activity based on the time spent during that period
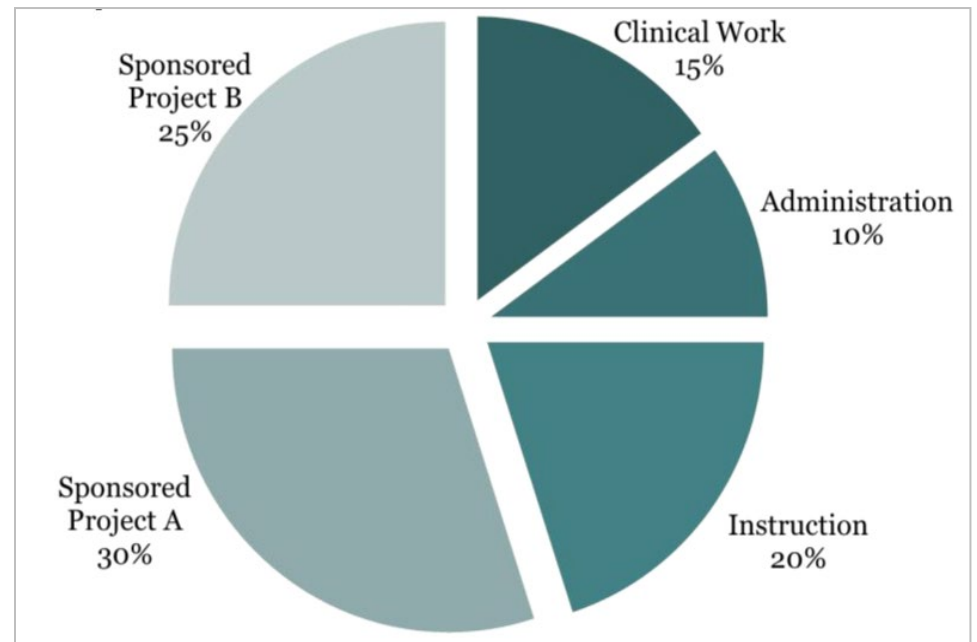
Demonstration only
Effort Allocation Based on Time Spent for That Period

Case 1:

Case 2:

Excerpt from the Federal Regulations: Uniform Guidance (2 CFR 200), Section 430 , Compensation - personal services:

"(x) It is recognized that teaching, research, service, and administration are often <u>inextricably intermingled</u> in an academic setting. When recording salaries and wages charged to Federal awards for IHEs, **<u>a precise assessment of factors that contribute to costs is therefore not always feasible, nor is it expected</u>**."

Risks of Non-compliance

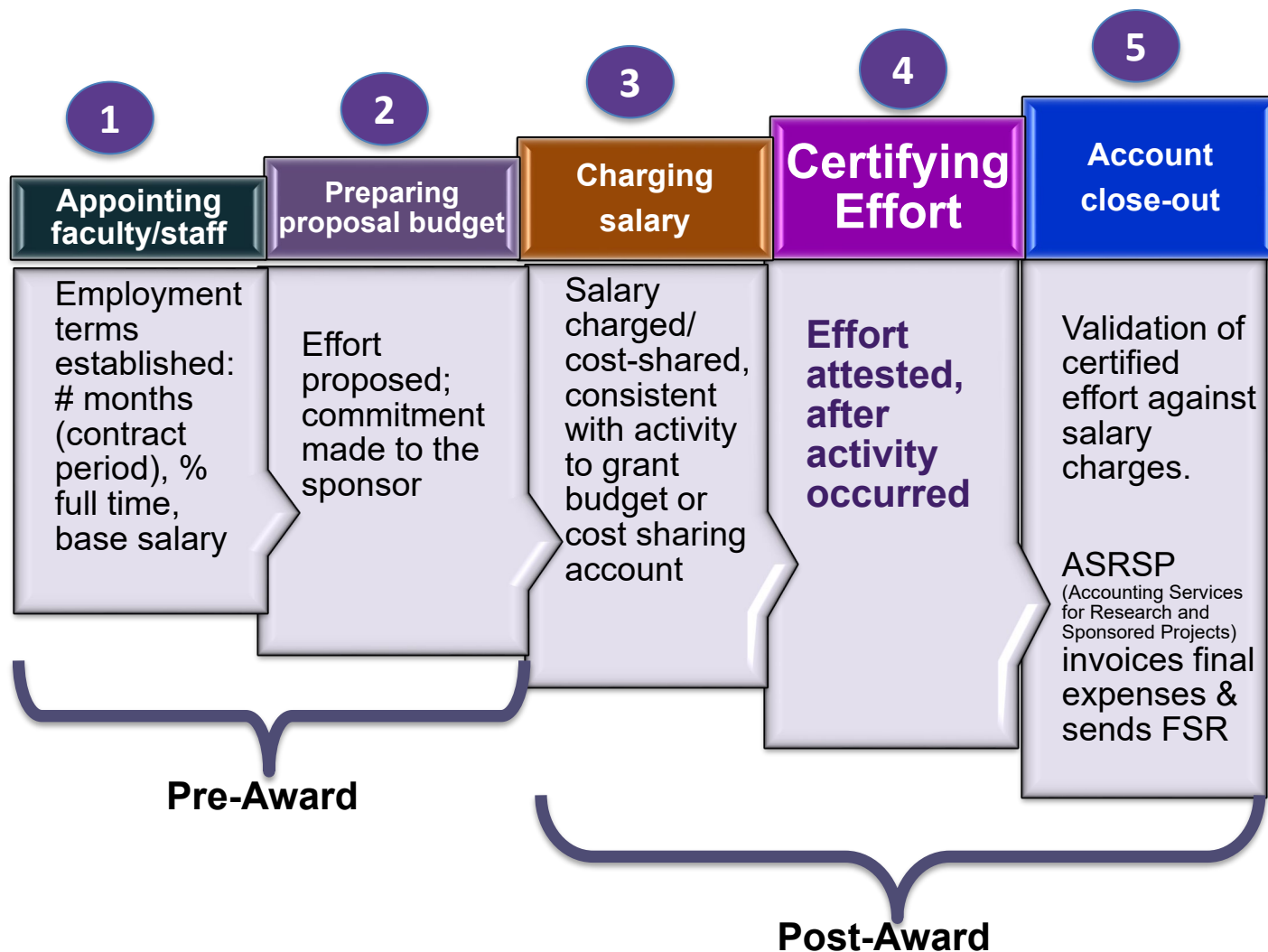| Institution	Date Settled/Agency	Issues	Settlement
Northwestern University	2003/ NIH	Institutional base salary, K award, Certifier Assignment	$5.5 million
Johns Hopkins University	2004/ NIH	Faculty time & effort overstated	$2.6 million
Harvard University	2004/ NIH	Government billed for salaries & expenses unrelated to federal grants, self reported	$3.3 million
Florida International U	2005/ Dept of Energy	Effort reporting, cost transfers, payroll dist.	$11.5 million
U of Alabama at Birmingham	2005/ NIH	Research work overstated, Medicare billed for research	$3.9 million
The Mayo Clinic	2005/ NIH, others	Cost allocation, cost transfers, inadequate accounting system	$6.5 million
University of Pennsylvania	2006/NSF	Timeliness, cost transfers	$3.3 million
U Massachusetts Medical School	2006/NIH	Cost transfers, unsupported labor charges	$24K; triggered Yale & Roger Williams Hospital audits
St. Louis University	2008/ NIH, CDC, HUD	Supplemental compensation, effort reporting	$1 million
Yale University	2008/ Multiple agencies	Cost transfers, summer salary charges, effort reporting	$7.6 million
Duke University	2009/ NIH	Direct charging of administrative and clerical costs	$1.7 million (reduced from original recommendation of $2.4 million)
Scripps Research Institute	2020/NIH	Non-grant related activities (proposal preparation, teaching, committee work, and other administrative tasks) charged to NIH grants (100% faculty salary on grants)	$10 million

Who Needs to Certify Effort?

Any person paid (or with a commitment) on a sponsored award must certify that the salary paid (or the commitment) is reasonable in relation to the effort (activity) devoted to the award.

Faculty are required to certify their own effort reports, & also the effort reports of the research staff on their sponsored projects (Northwestern Effort Policy #9)
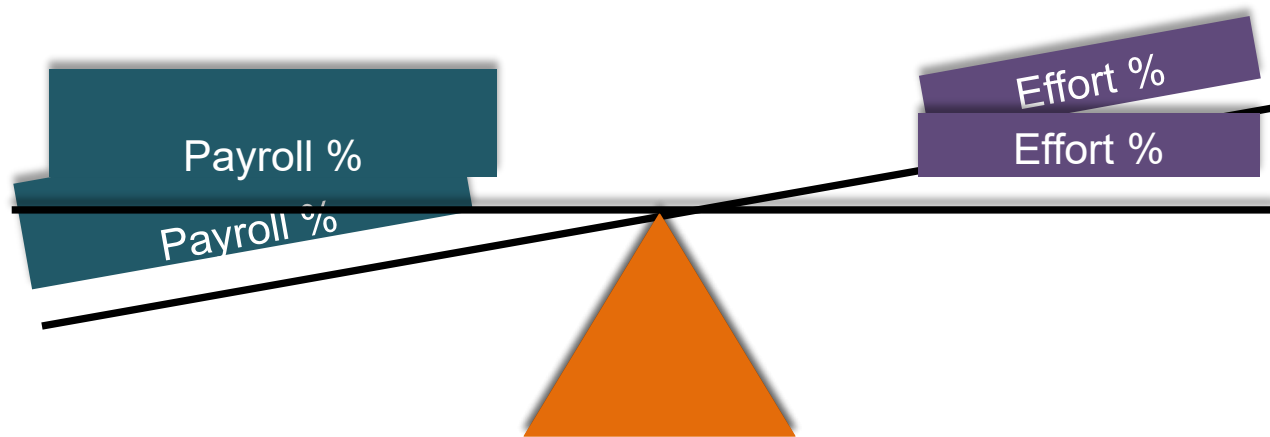
Effort Reporting Cycle

1 Appointing faculty/staff

Employment terms established: # months (contract period), % full time, base salary

2 Preparing proposal budget

Effort proposed; commitment made to the sponsor

3 Charging salary

Salary charged/cost-shared, consistent with activity to grant budget or cost sharing account

4 Certifying Effort

Effort attested, after activity occurred

5 Account close-out

Validation of certified effort against salary charges.

ASRSP (Accounting Services for Research and Sponsored Projects) invoices final expenses & sends FSR

Pre-Award

Post-Award

Effort Confirmation for the Reported Period:

- Effort must be certified based on the actual work performed for that reporting period

Example of a Certified Effort Report

Certifier and Certification Date

% effort per chart string confirmed by Certifier

Certifier Attestation Statement

Northwestern

Effort Reporting: Key Concepts

- 100% Effort:
  - **Includes:**
    - ✓ Teaching, research, administration, and Northwestern Medical Group (NMG) activity, if applicable
    - ✓ Paid appointments as chair, dean, and/or center director
  - **Excludes:**
    - ✓ Outside consulting activities, activities associated with affiliated entities other than NMG
    - ✓ Veterans Affairs (VA) effort

- Salary increase cannot be based on receiving sponsored funding
  - Salary Increase may be based on performance and/or increased responsibilities
  - Charges to sponsored projects according to Base Salary Rate

Effort Reporting: Key Concepts

- **Key personnel effort**

  - Faculty members and senior researchers must commit some effort to the sponsored project within the fiscal year unless specifically exempted by the sponsor (e.g., equipment grants)

- **Commitment**

  – Most faculty responsibilities would preclude being paid 100% from sponsored projects

  – Special care in determining if research faculty can be charged 100%. e.g., Competitive proposal writing (new or renewal) and regular administrative duties cannot be allocated to sponsored awards

Effort Reporting: Key Concepts

- **Safeguard Northwestern NetID password and Network/System accounts**
  - NetID password and network/system accounts must not be shared

- **Consistency of reporting effort:**
  - Progress Reports
  - Current & Pending Support
  - Effort Reports
  - Financial Status Reports

Effort Reporting at Northwestern

When to Report Effort:

- Effort reported quarterly
- Effort reports should be certified within 4 weeks after they are available for certification
- The final deadline is Week 14 (from the generation of effort report)

Escalation Timeline:

Estimated Timeline	Action
Day 0	Effort Reports generated by central administration (~2-4 weeks after end of quarter) – notification sent to Dept Administrators with the deadline communicated
Week 3	Deadline reminder sent to Dept Administrators
Week 4	Effort reports due (~30 days after generation)
Week 5	1st warning – completion results communicated to Department Administrators
Week 7	2nd warning – completion results sent to Department Chairs
Week 10	3rd warning – completion results and individual delinquency reports sent to Dean's offices
Week 14	Delinquency reports sent to VP of Research and Provost Office to determine appropriate action

Effort Reporting System (ERS) logon:
https://ers.northwestern.edu/GenericERS/custom/index.jsp

Northwestern

ERS

User ID [_____]

Password [_____]

[Login]

Need Help?

Announcements

Current Reporting Period: 3Q2020
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Please Note: The initial expected due date for
3Q2020 reports is August 21st.

NetID and password, MFA + VPN support provided by NUIT: 847.491.4357

Login Help

Helpdesk Phone
NetID/Password Questions: 847-491-4357; VPN Support: https://www.it.northwestern.edu/oncampus/vpn; All Other Questions:
847-491-6755, 312-503-0323

Helpdesk Email
effort@northwestern.edu

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ERS System support

ERS Training & Support Contacts

- **Faculty/Certifier Quick Start Guide and Training:**
  - Go to: https://www.northwestern.edu/asrsp/costing/effort-reporting.html
  - Then click one of the links under Faculty/Certifiers
  - Or simply email us: c-mete@northwestern.edu or effort@northwestern.edu

- **Questions? Please Contact Us:**
  - Tina Mete (Oversees Effort Reporting, c-mete@northwestern.edu)

- **NetID/MFA/VPN support**
  - 847.491.4357 (Northwestern IT)
  - NetID and Password Security: http://www.it.northwestern.edu/netid/security.html

https://www.northwestern.edu/coststudies/effort.html