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:
“(x) It is recognized that teaching, research, service, and administration are often inextricably intermingled in an academic setting. When recording salaries and wages charged to Federal awards for IHEs, a precise assessment of factors that contribute to costs is therefore not always feasible, nor is it expected.”
<table>
<thead>
<tr>
<th>Institution</th>
<th>Date Settled/Agency</th>
<th>Issues</th>
<th>Settlement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northwestern University</td>
<td>2003/ NIH</td>
<td>Institutional base salary, K award, Certifier Assignment</td>
<td>$5.5 million</td>
</tr>
<tr>
<td>Johns Hopkins University</td>
<td>2004/ NIH</td>
<td>Faculty time &amp; effort overstated</td>
<td>$2.6 million</td>
</tr>
<tr>
<td>Harvard University</td>
<td>2004/ NIH</td>
<td>Government billed for salaries &amp; expenses unrelated to federal grants, self reported</td>
<td>$3.3 million</td>
</tr>
<tr>
<td>Florida International U</td>
<td>2005/ Dept of Energy</td>
<td>Effort reporting, cost transfers, payroll dist.</td>
<td>$11.5 million</td>
</tr>
<tr>
<td>U of Alabama at Birmingham</td>
<td>2005/ NIH</td>
<td>Research work overstated, Medicare billed for research</td>
<td>$3.9 million</td>
</tr>
<tr>
<td>The Mayo Clinic</td>
<td>2005/ NIH, others</td>
<td>Cost allocation, cost transfers, inadequate accounting system</td>
<td>$6.5 million</td>
</tr>
<tr>
<td>University of Pennsylvania</td>
<td>2006/ NSF</td>
<td>Timeliness, cost transfers</td>
<td>$3.3 million</td>
</tr>
<tr>
<td>U Massachusetts Medical School</td>
<td>2006/NIH</td>
<td>Cost transfers, unsupported labor charges</td>
<td>$24K; triggered Yale &amp; Roger Williams Hospital audits</td>
</tr>
<tr>
<td>St. Louis University</td>
<td>2008/ NIH, CDC, HUD</td>
<td>Supplemental compensation, effort reporting</td>
<td>$1 million</td>
</tr>
<tr>
<td>Yale University</td>
<td>2008/ Multiple agencies</td>
<td>Cost transfers, summer salary charges, effort reporting</td>
<td>$7.6 million</td>
</tr>
<tr>
<td>Duke University</td>
<td>2009/ NIH</td>
<td>Direct charging of administrative and clerical costs</td>
<td>$1.7 million (reduced from original recommendation of $2.4 million)</td>
</tr>
<tr>
<td>Scripps Research Institute</td>
<td>2020/NIH</td>
<td>Non-grant related activities (proposal preparation, teaching, committee work, and other administrative tasks) charged to NIH grants (100% faculty salary on grants)</td>
<td>$10 million</td>
</tr>
</tbody>
</table>
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**

*Form Certified by King. Emily on 06.25.2019*

**Certifier Attestation Statement**

*I certify that the effort allocation for the individual shown above is a fair representation for the period noted.*

<table>
<thead>
<tr>
<th>Accounts</th>
<th>Description</th>
<th>Payroll %</th>
<th>Cost Sharing %</th>
<th>Total %</th>
<th>Certified Effort %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sponsored Accounts</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>610-5249999-60012345</td>
<td>CHEMO RESEARCH</td>
<td>29%</td>
<td>1%</td>
<td>30%</td>
<td>30%</td>
</tr>
<tr>
<td>610-2991234-60099999</td>
<td>STEM CELL RESEARCH</td>
<td>29%</td>
<td>0%</td>
<td>29%</td>
<td>29%</td>
</tr>
<tr>
<td>650-5246000-00012972</td>
<td>Drug Discovery T</td>
<td>8%</td>
<td>0%</td>
<td>8%</td>
<td>8%</td>
</tr>
<tr>
<td><strong>Sponsored Subtotal</strong></td>
<td></td>
<td>66%</td>
<td>1%</td>
<td>67%</td>
<td>67%</td>
</tr>
<tr>
<td><strong>Non-Sponsored Accounts</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>110-1234567</td>
<td>Dept Unrestricted</td>
<td>11%</td>
<td>-1%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>710-1234567-09991234</td>
<td>NU MED FACULTY</td>
<td>23%</td>
<td>0%</td>
<td>23%</td>
<td>23%</td>
</tr>
<tr>
<td><strong>Non-Sponsored Subtotal</strong></td>
<td></td>
<td>34%</td>
<td>-1%</td>
<td>33%</td>
<td>33%</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td></td>
<td>100%</td>
<td>0%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>
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:

<table>
<thead>
<tr>
<th>Estimated Timeline</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Day 0</td>
<td>Effort Reports generated by central administration (~2-4 weeks after end of quarter) – notification sent to Dept Administrators with the deadline communicated</td>
</tr>
<tr>
<td>Week 3</td>
<td>Deadline reminder sent to Dept Administrators</td>
</tr>
<tr>
<td>Week 4</td>
<td>Effort reports due (~30 days after generation)</td>
</tr>
<tr>
<td>Week 5</td>
<td>1st warning – completion results communicated to Department Administrators</td>
</tr>
<tr>
<td>Week 7</td>
<td>2nd warning – completion results sent to Department Chairs</td>
</tr>
<tr>
<td>Week 10</td>
<td>3rd warning – completion results and individual delinquency reports sent to Dean’s offices</td>
</tr>
<tr>
<td>Week 14</td>
<td>Delinquency reports sent to VP of Research and Provost Office to determine appropriate action</td>
</tr>
</tbody>
</table>
Effort Reporting System (ERS) logon:
https://ers.northwestern.edu/GenericERS/custom/index.jsp

Northwestern

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

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](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](http://www.it.northwestern.edu/netid/security.html)