EFFORT CERTIFICATION

The Office of Research and Scholarship

The University of Texas at Tyler
The purpose of this course is to familiarize faculty and their administrative support staff with Federal regulations and UT Tyler’s policies and procedures that govern effort commitments, reporting and certification.
Audience

Completion of this course is recommended for:

- Principal Investigators (PIs) with active sponsored projects
- Department administrative and support staff who provide support to PIs on their accounts (e.g., make grant appointments)
Why are we here?

- External funding for sponsored programs often comes with strings attached
  - Accepting Federal funds means **compliance** with applicable cost principles (2 CFR 200)
  - Universities receiving sponsored research dollars should have appropriate systems, policies and procedures in place to properly document all commitments, including effort
Why are we here?

Effort Reporting has come under increasing scrutiny

- Focus of Federal review and enforcement activity
- Several multi-million dollar False Claims Act settlements
- NSF/OIG audits (recent and ongoing)*

* NSF – National Science Foundation
* OIG – Office of Inspector General
Why is there so much emphasis on effort reporting?

Northwestern University - $2.4 million (2004)

Johns Hopkins University - $2.6 million (2004)

East Carolina University - $2.4 million (2004)


University of Alabama-Birmingham - $3.0 million (2005)

University of Connecticut - $2.5 million (2006)

Florida International University - $11.5 million (2006)

Caltech - $11K (2007)

"...knowingly or recklessly overstated salaries of faculty..."
Why is there so much emphasis on effort reporting?

Areas of government focus in audits/investigations related to effort reporting:

- Salary charges
- Over-commitments
- Salary cost transfers and cost sharing
- Integration with systems that report time or effort
- Roles and responsibilities
  - Who ensures appropriate salary is charged?
  - Who ensures level of commitment is reasonable?
  - Who signs the reports?
  - Who independently monitors to evaluate system’s effectiveness?
Why is there so much emphasis on effort reporting?

<table>
<thead>
<tr>
<th>Institution</th>
<th>Headline</th>
<th>Source</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>(multiple)</td>
<td>Researchers Criticized for Poor Time-keeping</td>
<td>Nature</td>
<td>October 2007</td>
</tr>
<tr>
<td>University of Pennsylvania</td>
<td>NSF Audit of Penn Finds Systemic Weaknesses in Effort Reporting</td>
<td>Report on Research Compliance</td>
<td>September 2006</td>
</tr>
<tr>
<td>Yale University</td>
<td>Yale's Use of Research Grants Attracts Government Scrutiny</td>
<td>Wall Street Journal</td>
<td>July 2006</td>
</tr>
<tr>
<td>Harvard University</td>
<td>Harvard Agrees to Pay $2.4-Million More to Settle Allegations of Overcharging the NIH</td>
<td>The Chronicle of Higher Education</td>
<td>June 2004</td>
</tr>
<tr>
<td>Northwestern University</td>
<td>Northwestern University OK's Settlement in Federal Grant Case</td>
<td>The Chicago Tribune</td>
<td>February 2003</td>
</tr>
</tbody>
</table>
Am I alone in Effort Reporting?

Effort Reporting at UT Tyler is a **SHARED** responsibility.

- Faculty Principal Investigators (PIs)
- Departmental Administrative and Support Staff
- Department Chairs & College Deans
- Office of Research and Scholarship (ORS)
- Human Resources
- Financial Reporting/Budgeting
- Associate Provost for Research & Scholarship
What is Effort?

Effort is the amount of time spent on any activity expressed as a percentage of Total Institutional Activities for which an individual is compensated by UT Tyler.

- Effort includes:
  - Sponsored Programs (e.g. grants and contracts)
  - Non-Sponsored Research
    - Teaching
    - Public Service
  - Administrative Duties
  - Other Institutional Activities

- Effort does not include:
  - Outside consulting or other income earned outside of duties to UT Tyler
  - Supplemental compensation for non-permanent, incidental work
How do you calculate effort?

- Total Effort = \( \sum (UT\ Tyler\ Activities) \)
- Total Effort = \( %\ Sponsored\ Activities \)
  + \( %\ Non-Sponsored\ Activities \)
Example

Dr. Newton is involved in the following activities:

■ Teaches one course = 25%

■ Manages three sponsored projects:
  - Apple grant = 25%
  - Gravity grant = 25%
  - Wig contract = 25%

- Total commitment 25% teaching; 75% grant
Is there a maximum commitment level?

- 100% effort is allowable over the summer provided that the individual cannot perform other activities during that period (e.g. serving on institutional committees, writing proposals, etc.) whose costs are not allowable under the Uniform Guidance, 2 CFR 200.
As the PI, you are responsible for the charges to your grants which includes your effort and the effort of those devoting effort on your grant.

- If you were interviewed by an auditor, consider how would you defend your decision to charge a particular researcher to a specific grant.
- Is that person/position listed on the proposal?
- Do you have suitable means of verifying their work on the grant (i.e.: log books, time sheets, etc.)
- When in doubt, contact the ORS.
What are we looking for?

- Minimum and maximum levels of effort commitments
- Over-commitments
- Administrative duties
- Summer appointments
- Contributed Effort (aka cost shared effort)
What is Cost Sharing?

- **Mandatory Cost Sharing**: Required by the sponsor as a condition of obtaining the award. Mandatory cost sharing must be specified in the proposal; otherwise, the proposal will not receive consideration from the sponsoring agency.

- **Voluntary Committed Cost Sharing**: Cost sharing that is not required by a sponsor, but is nevertheless pledged in the proposal or subsequent communication with the sponsor. This type of cost sharing is often used to reflect accurately the total resources necessary to complete a project.
What is Cost Sharing?

- Voluntary Uncommitted Cost Sharing: Faculty-donated additional time above that agreed to as part of a sponsored agreement.

- In-Kind Contributions: Non-cash contributions provided by the university or third parties.
How is effort related to salaries?

- The salaries paid by UT Tyler to its employees working on Federal grants are generally charged or allocated to those grants on the basis of effort expended.

- For example, if 33% of an employee’s total effort is expended on a Federal grant, then up to 33% of the employee’s salary is chargeable to that grant.

- A certified effort report confirms that charges are reasonable in relation to the work performed.
Who certifies effort?

It is the responsibility of every Principal Investigator to certify their own effort and the effort of all persons working on their sponsored programs, as they have the best firsthand knowledge of their sponsored programs and can provide suitable means of verification of effort.

■ Examples of suitable means of verification:

– Calendars
– Travel Records
– Teaching Schedules
– Contemporaneous Meeting Notes
– Log Books
– Times Sheets
Who states the PI should?

“Specifically, PIs have primary responsibility for all aspects of the sponsored projects including approval of all charges and ensuring that the research is conducted in accordance with the award terms and conditions.”

(NSF Audit of Payroll Distribution System, Cal Tech, OIG 07-01-013)
Are there exceptions?

- There are some exceptions made for practical reasons (e.g. perhaps the researcher is out of the country or is on temporary leave of absence).
- Federal requirements are that anyone certifying effort for another individual must credibly have first hand knowledge of the individual’s actual effort.
Does the ORS certify effort?

Management and oversight of federal programs is the responsibility of the Office of Research and Scholarship and the Associate Provost for Research and Scholarship, but we do not certify effort.
Future of effort reporting: ECRT

<table>
<thead>
<tr>
<th></th>
<th>Define</th>
<th>ECRT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Method of distribution</td>
<td>Paper-based</td>
<td>Web-based</td>
</tr>
<tr>
<td>Frequency of distribution</td>
<td>Monthly</td>
<td>Semi-annually</td>
</tr>
<tr>
<td>Certifiers</td>
<td>PIs</td>
<td>PIs</td>
</tr>
<tr>
<td>Review period</td>
<td>Monthly</td>
<td>Six months</td>
</tr>
<tr>
<td>Certification window</td>
<td>30 days</td>
<td>30 days</td>
</tr>
</tbody>
</table>
What is ECRT?

- Effort Certification and Reporting Technology (ECRT) is a web-based compliance technology to help research institutions minimize their risk of financial penalties for failing to meet federal regulations regarding effort reporting and salary certification.

- ECRT will be implemented at each component in the UT System, however, ECRT is not currently used by all entities in the UT System.
Benefits of ECRT

- Resource Utilization -- automated process to minimize the level of administrative burden with reporting and certification process.
- Enhanced Accountability -- researchers approving effort reports can verify assignments first-hand from any computer via the internet.
- Accuracy -- certification is based on actual time spent, versus budgeted payroll charges and requires completion and return of effort reports in a timely manner.
- Management Reports -- help to provide consistency, validation, and elimination of errors.
- Data Centralization -- electronic archiving of certification data.
ECRT Navigation – Login Screens

• Open a web browser
• Choose UT Tyler from the institution drop-down list and click “Select”
ECRT Navigation – Login Screens

Welcome to the UT Tyler Authentication System

Welcome to UT Tyler's Effort Certification Reporting Technology (ECRT) system

Login gives you access to protected Web resources.

WARNING: Protect your privacy! Prevent unauthorized use! Completely exit your Web browser when you are finished.

• Unauthorized use is prohibited.
• Usage may be subject to security testing and monitoring.
• Misuse is subject to criminal prosecution.
• No expectation of privacy except as otherwise provided by applicable privacy laws.

This login page will be displayed.

• Enter your EID and password in the appropriate fields

• Click on the “Login” button

• Click “Continue” when prompted with this message
Navigation Links & Drop Down Menus

- The effort lifecycle wheel contains links to various functions you will need to use within the system.

- Drop down menus: Across the top of the page is a menu bar. The left most option “Home” will return you to the home page containing the effort lifecycle.

- To log off of the system, click the right most option “Logout”. The remaining three options match the sections of the effort lifecycle. The links contained in the drop-downs give you access to the menu options available on the effort lifecycle, from any screen within the system. Menus highlighted in the green box are specific to Certifiers.
Certify My Effort

To certify your Effort select “Certify/View My Effort” from the Certification section of the wheel.

- This is the main view of the effort card. Within sponsored and non-sponsored projects you may view payroll and effort.
- Edit/review payroll and effort to ensure accuracy.
- Edit information as needed or send to Department Effort Coordinator to make the correction.

Once you have verified that the information is correct, click on the “Save” button to save the information or click “All” and then “Certify” to certify the information. The “Cancel” button will close the screen without saving or certifying the information and will return you to the main screen.
Certify My Support Staff – Group View

• To certify your Supporting Individuals select “Certify My Support Staff-Group View” from the Certification section of the wheel or from the drop down menu under Effort Certification.

• This is the main window to certify the effort of your supporting individuals. The system will display up to ten individuals at a time.
FOR ASSISTANCE WITH OTHER TIME & EFFORT RELATED QUESTIONS, PLEASE CONTACT THE RESEARCH COMPLIANCE COORDINATOR AT ECRT@UTTYLER.EDU