

Sponsored Projects - Effort Reporting Policies & Procedures

Table of Contents

I. Policy Section

SP-EFF-PL-01--Effort Reporting

II. Procedure Section

SP-EFF-PR-01--Effort Reporting

I. Policy Section

SP-EFF-PL-01--Effort Reporting

Federal and state agencies, private foundations, organizations, and industry sponsors provide significant funding to enable the Johns Hopkins University to conduct research, public service, and training projects. The University's Effort Reporting System (ERS) provides the principal internal controls for certifying that the salaries and wages charged to or contributed to sponsored projects are reasonable and consistent with the portion of total professional activity committed to the projects.

Appropriately certified effort reports provide auditable documentation to demonstrate to the University's research funders that the sponsor did in fact receive the level of effort described and expected through the proposal process, the award process, and all post award communications with the sponsor. Additionally, the ERS tracks that effort expended in support of a project, but not paid by the project, has been performed as promised. Uniform Guidance 2 CFR 200.430 (h)(8) provides the framework for internal controls required when documenting salaries and wages of effort for employees on federally sponsored projects. The University's Effort Reporting System (ERS) process fulfills this obligation for all of its sponsored funding. Both direct and indirect costs may be disallowed and penalties imposed after reimbursement if auditors find such documentation to be inadequate.

Effort is the proportion of time spent on any activity and expressed as a percentage of the total professional activity for which an individual is employed by JHU and is not reflected in hours. Total effort expended cannot be more than - or less than - 100%.

Once an award is accepted, the University is committed to providing the level of effort expressed in the Notice of Award. Decrease in the level of committed effort of 25% or greater for federal awards must be authorized by the sponsor. Sponsor approval may be required for decreases to committed effort at a minimum of 10% for contracts. Please consult agency guidelines for further direction. The University must monitor whether it is meeting the level of effort it committed to in the proposal and award process.

The completed Effort report should reflect all activities conducted under the terms of employment by the University that are compensated for through the Institutional Base Salary (IBS). Outside consulting, stipend payments, and supplement payments are not included under JHU employment. The actual effort distribution of employees should reflect the percentage of actual time spent on the individual's various activities, broken down into the following categories:

- Sponsored Effort
- University Effort, including:

- Departmental and University Administration and Support Services
- Instruction/University Sponsored Academic Activity
- Clinical Activities
- Other JHU Activities
- Affiliated Institutional Activities

JHU requires at least 1% FTE commitment (or the minimum required by the program if greater than 1%) on the part of the Principal Investigator and other key personnel during the period of the project. This minimum requirement does not apply to equipment grants; dissertation support, training grants or other awards intended as "student augmentation"; or limited-purpose grants such as travel grants or conference support. Co-investigators and other "key personnel" must meet the proposal/award effort obligations for each sponsored project or arrange with the PI to amend their effort commitments with the sponsor as needed. Additionally, JHU requires that all Principal Investigators certifying effort shall complete training on the ERS system.

Faculty and senior staff are required to certify their effort semi-annually. Effort forms are available for certification beginning in January and July, for the 6 month periods ending December 31 and June 30. Semi-monthly non-faculty and non-senior staff that have sponsored support are required to certify their effort quarterly. Effort forms are available for certification beginning in January, April, July and October for the quarters ending December 31, March 31, June 30, and September 30.

The JHU policy requires that faculty certify their own effort using the Effort Reporting System (ERS) except in limited circumstances. With all other employees, effort reports must be certified by the individual employee, or by a responsible supervisory official having firsthand knowledge of all of the activities performed by the employee. Direct supervisors can certify effort on behalf of non-faculty employees who work for them in recognition of the requirement that the person certifying the effort has knowledge of all of the employee's professional activities.

Certified effort forms assert that the information represented is to the best of the certifier's knowledge, accurate and complete. Changes to previously certified effort erode the credibility of the certifier as well as the entire effort certification process. For these reasons, changes to a certified effort form are not allowed except in extremely limited circumstances, which require extensive documentation as to why the effort was originally certified incorrectly and approval by the Controller's Office.

Time Keeping for Foreign Sites

The University's Effort Reporting System (ERS) provides the principal internal controls in the U.S. for certifying that the salaries and wages charged to or contributed to sponsored projects are reasonable and consistent with the portion of total professional activity committed to the projects. JHU employees not in JHU's Baltimore payroll system who work at foreign sites and are paid through the foreign sites (locally administered payroll or other means) and whose effort is being charged to sponsored awards must complete timesheets outlining the number of hours they are allocating to each sponsored award. Similarly, employees who work at foreign locations and whose effort is being charged to sponsored awards, but who are paid through wire or other means directly from the Baltimore office, must also complete timesheets that outline the number of hours they are spending on each sponsored award. These timesheets must be signed by the employee and signed and reviewed for accuracy an authorized individual.

II. Procedure Section

SP-EFF-PR-01--Effort Reporting

Purpose

The university's goal is to accurately certify salaries and wages charged to or contributed to sponsored projects are reasonable and consistent with the portion of total professional activity committed to projects. ERS is the web-based Effort Reporting System that JHU uses to certify effort. Administrative staff and faculty in all departments who are

involved in sponsored research should be familiar with Effort reporting policies and procedures.

Required Certifiers

Faculty and most staff working in a department that conducts sponsored activities, whether paid or unpaid, are required to certify effort. The JHU policy requires that faculty certify their own effort using the Effort Reporting System (ERS) except in very limited circumstances. With all other employees, effort reports must be certified by the individual employee, or by a responsible supervisory official having first hand knowledge of all of the activities performed by the employee. Direct supervisors can certify effort on behalf of non-faculty employees who work for them in recognition of the requirement that the person certifying the effort has knowledge of all the employee's professional activities. Examples of employees for whom the supervisors can certify include lab technicians, students, research assistants and support staff. The following individuals do not need to complete an effort report even if they work in a department that conducts sponsored activities:

- Weekly paid personnel who complete auditable timecards adhering to effort requirements
- Pre and post-doctoral individuals supported 100% by a fellowship (stipends) with no additional employment compensation
- College Work Study employees who are completing auditable timecards adhering to effort requirements
- Bargaining Unit employees

Minimum Requirements of Effort

Although JHU requires at least 1% FTE commitment (or the minimum required by the program if greater than 1%) on the part of the Principal Investigator and other key personnel during the period of the project, the school submitting each sponsored project proposal may allow exceptions only in limited circumstances. Extensive documentation as to the deviation from minimum requirements is required by the Offices of Research Administration. In instances where the committed effort is expended but not charged to the project, the effort should still be certified to fulfill the required or committed cost sharing.

In general, most University faculty members are responsible for teaching, administration, or patient care that would preclude their devoting 100% of their effort to sponsored activities. Accordingly, department administrators and faculty should review all proposed sponsored effort to ensure there are no other activities required of the faculty member that would reduce the effort available for sponsored activities. Exceptions to this include junior faculty on career development grants who have no other teaching, administrative or clinical responsibilities and key research staff without other responsibilities.

Payroll Distributions and Effort

Payroll and effort distributions are not the same thing; payroll distributions describe the allocation of an individual salary, while effort distributions describe the allocation of an individual's activity to individual projects "independent of salary". JHU's Effort reporting process relies on payroll distributions to provide a general reminder of the projects on which an individual's salary was charged during the certification period. Individuals completing effort reports are required to identify other areas where they provided effort and to ultimately report the appropriate distribution of effort over all activities. Effort devoted to a sponsored project may not be lower than the salary charged to the project after payroll adjustments have been made. If the Effort percentage certified is lower than the payroll distribution, a re-distribution of salary will be made to keep payroll in line with certified Effort. It is important for administrators to complete known salary distribution corrections before the Effort form is certified, since changes to payroll distribution that contradict certified Effort are not allowed after certification.

Managing Effort on K Awards

The sponsored research supported by a K Award is constrained by the scope of the proposal. If additional projects are undertaken that overlap with the K Award scope, effort supported by the K Award may be used to participate in the other related projects. In this situation, notations and comments can be made on the Effort form for documentation

purposes. However, if the additional research activity does not overlap with the K Award work scope, the effort provided to the additional research project must be separately accounted for and supported beyond the minimum effort required for the K Award. Usually the K Award precludes eligibility for additional federal salary support except for late stage additional grants allowed by some K Awards. Accordingly, the salary support for research that does not overlap with the scope of the K Award usually must come from a non-federal source. Individuals holding K Awards may perform clinical activities "required by the research-related activities" of the K Award as clinical research effort supported by the K Award. Other patient care effort, not required to perform the research under the K Award, must be reported as clinical activities or sponsored activities if funded by another research award, in keeping with the minimal requirements of the K award.

Clinical On-Call Time and Other Clinical Activities

Being on-call can vary from providing on-site coverage to attending rounds and being available for telephone consultation. While the clinical demands vary, on-call time is rarely spent as 100% employed time. Accordingly, you should only include the on-call time that was actually worked. Thus for on-call activity that required you to be on-site or occurred during your normal work time you should report the effort actually spent dealing with patient issues as clinical activity, while the other time should be allocated to other employed activities performed while you were on-site (research, teaching, etc.). If your on-call time was other than during your normal work time, you should count only the hours actually required for rounds, seeing patients and attending to consults. When estimating your total clinical activities over the past six months, you should combine the portion of your on-call time that was actually devoted to clinical activity with your more routine clinical responsibilities. If you usually work 60 hours per week, and (1) spend one three hour morning in clinic every week, (2) are on-call every fourth week and 25% of that time is spent in clinical activities, and (3) you spend an additional 10% of your time in other clinical activity, your combined average clinical activity over a four week period (60 hrs x 4 = 240 hrs) may be calculated as follows (assuming that none of your clinical time was devoted to clinical research):

Clinic: (3 hrs x 4wk) = 12 = 5%

240 hrs 240

On Call: 25% (60 hrs x 1wk) = 15 = 6.25%

240 hrs 240

Other Clinical

Activities: 10% (60hrs x 4wk) = 24 = 10%

240 hrs 240

Total Average Clinical Effort = 21%

Instructional Effort

Time spent 1) teaching courses (including preparation time), 2) providing formal mentoring (e.g., time spent in reviewing a student/fellow's career or dissertation plans), and 3) being the PI on a training grant should be reported as instruction. The extra time it takes to perform clinical activities with students in an educational institution should be reported as part of clinical activities effort. The extra time it takes to perform research with students in an educational institution should be reported as part of research activities.

Administrative Activity

Time devoted to administrative responsibilities (e.g., being a department director, standing committee member, grant proposal preparation etc.) should be separately reported if they amount to 1% or more of total employed time. Time spent preparing competitive research grant proposal forms should be reported as administrative time. This does not include time spent performing preliminary research, or preparing progress reports on already awarded research grants.

Sponsored Research

Only the time devoted to awarded grants and contracts or authorized pre-award costs should be reported as sponsored activities (sometimes referred to as sponsored research). Research time that is not supported by or committed to separately allocated project budgets (e.g., unrestricted institutional funds or gifts) should be included as instruction/university sponsored activity.

Importance of Properly Certifying Effort Forms

Federal guidelines and JHU policy recognize that the activities that constitute effort are often difficult to separate. Effort certification must often rely on a reasonable estimate of effort, and when estimating, a degree of tolerance is appropriate. However, a change in effort noted on the Effort form (regardless of how small the change is) must always be accompanied with a change in payroll or cost sharing.

The importance of properly certifying Effort should not be underestimated since salaries and wages typically comprise approximately 2/3 of the direct costs charged to sponsored projects. JHU, as the primary award recipient with oversight accountability to the research sponsor, may suspend the research rights and privileges enjoyed by the Principal Investigator (PI) and the research staff when they do not adhere to Effort policies and procedures. If a PI does not adhere to the effort reporting policy, JHU may not submit proposals for the PI and may inactivate existing cost objects in the SAP system. Disregard of this policy may also lead to other disciplinary actions in accordance with the school's faculty appointment policies. In addition, criminal charges may be brought against the individual certifying falsified effort.

Responsibilities

Payroll Shared Services

Payroll Shared Services works with the department's payroll administrator and Human Resources Shared Services to ensure that all payroll forms are completed accurately. Payroll Shared Services maintains the payroll distribution file, which provides the payroll amounts used in the effort reports.

Financial Research Compliance

The Financial Research Compliance Office in University Finance distributes effort certification forms through ERS; monitors JHU's compliance with effort reporting requirements; develops and monitors all policies, procedures and training materials for effort reporting; delivers effort reporting training sessions; and works with external auditors as they monitor JHU's compliance with effort reporting regulations; maintains the Effort system and reviews and approves payroll cost transfers that impact Effort reporting.

Faculty

Faculty members are responsible for timely certification of their own effort using ERS. Additionally, faculty members are responsible for monitoring their effort commitments. If the receipt of an award increases an investigator's committed effort to greater than 100%, the investigator must revise the level of effort requested through communication with the sponsors, reduce effort on other activities, or refuse the award. JHU requires that faculty members complete online Effort Reporting Compliance Training prior to submitting sponsored project proposals.

Employee/Certifier

The employee has the main responsibility to review and certify his or her effort over a particular time period within the deadlines set forth by Financial Research Compliance. The employee/certifier completes the effort form after reporting actual effort for the given period. In order to certify effort for someone else, the certifier must have first-hand knowledge of 100% of the employee's effort. By certifying the effort form, the employee or certifier is confirming that the effort statement reasonably estimates the actual effort for that particular reporting period.

Divisional Business Office (DBO)

The Divisional Business offices assists Financial Research Compliance in ensuring all effort forms are completed in a timely manner.

Department Administrators

The Department Administrators are responsible for coordinating the monitoring of all effort forms for individuals

within their department. Department administrators or their designee are also responsible for ensuring that payroll is in line with certified effort by completing salary redistributions and documenting cost sharing

Terminology

Effort- The proportion of time spent on any activity and expressed as a percentage of the total professional activity for which an individual is employed by JHU. Total effort must always equal 100%.

Proposed Effort- The amount of effort (expressed in %) proposed in any sponsored project application, regardless of whether salary support is requested.

Awarded/Committed Effort- The amount of effort (shown in %) promised by the institution in the proposal or the amended effort (shown in %) included in the award documentation. If the receipt of an award increases an investigator's committed effort to greater than 100%, the investigator must revise the level of effort requested through communication with the sponsors, reduce effort on other activities, or refuse the award.

Institutional Base Salary (IBS)- The full annual compensation for an individual's appointment/hire, whether that individual's time is spent on research, teaching, patient care, administration or other activities. IBS excludes any income that an individual may be permitted to earn outside the duties performed for the University and any University issued supplemental payments. The IBS must not fluctuate as a result of increased sponsored funding.

Sponsored Effort- Effort for work conducted on sponsored projects regardless of whether or not the sponsored project is paying for the work.

University Effort- Effort for work conducted on behalf of the institution that does not involve an external sponsor. University effort may not be supported by sponsored projects.

University effort can be broken down into the following effort categories:

- **Departmental and University Administration and Support Services** - Effort for administrative and support services that benefit departmental activities. Departmental administration activities are compensated by University funds (non-sponsored cost objects) and are not charged directly to specific sponsored agreements. The costs include the salaries and expenses of chairpersons and other faculty and staff engaged in activities that jointly benefit sponsored projects and departmental activities. Examples include: administering academic and staff personnel policies, planning programs, preparation of bids and proposals (including the typing of proposals, correspondence, telephone calls, etc).
- **Instruction/University Supported Academic Activity** - Instruction is effort related to the teaching and training activities of an institution. Instruction includes all teaching and training activities where the employee is the instructor, whether they are offered for credits toward a degree or certificate or on a non-credit basis and whether they are offered through regular academic departments or through separate divisions such as a summer school division or an extension division. Curriculum development should be considered departmental and university administration and should not be included in the instruction/university supported academic activity effort category. University Supported Academic Activity is effort for research, development and scholarly activities that are not sponsored research. As a general rule, university supported academic activity is conducted by an individual that is not associated with any particular sponsored research project and does not have specified objectives and/or deliverables, is not separately and specifically budgeted, or does not require separate accounting and reporting. It is supported by departmental funds and the University has discretion on how the funding can be utilized.
- **Clinical Activities** - Effort expended on the direct treatment of clinical patients. Clinical activities effort also includes teaching or supervising clinical personnel, residents, and interns when such teaching effort does not properly belong under the Instruction category. Clinical activities include administrative and support services

that solely benefit clinical patient care. The time spent treating patients and completing the required patient-care paperwork should be reported as clinical activities. All patient care that is billed to third party insurers or to the patient must be reported as clinical activities. If clinical procedures are billed to or supported by research funds, the effort might be reported as either research or clinical activities depending upon whether your role was as a researcher or clinician, respectively. When a clinical study is performed that involves both routine care billed to the patient's insurance and research procedures supported by the study, a reasonable estimate should be made that allocates study effort between clinical activities and sponsored activities. Time spent in clinical environments performing clinical research activities (e.g., recruiting subjects, performing research supported procedures, supervising research staff and analyzing research data) should be reported as research effort.

- **Other JHU Activities** - University supported effort expended on campus activities that cannot be properly reported under any other category. Examples are: the public affairs office, the development office, service cost objects, alumni relations, intercollegiate athletics, chapels, public museums, theaters, and concerts.
- **Affiliated Institutional Activities** - Effort related to services performed under terms of a non-sponsored agreement with an affiliated institution.

Cost Sharing- A commitment of University resources or funding that supplements externally sponsored projects. Cost sharing occurs when effort exceeds the payroll charged to a particular project. When effort exceeds pay, the difference must be cost shared. These costs are not reimbursed by the sponsor and therefore must be supported by University funds or specifically designated private funding.

Total Employed Time- The average total time (hours) devoted to research, clinical, teaching, and administrative activities for JHU. This includes time spent at Hopkins facilities and time spent working on Hopkins responsibilities at home or at other locations. It does not include the time devoted to non-Hopkins commitments, professional or personal, for which the employee is a volunteer or receives separate payment (e.g. peer review).

References

Login to the Effort Reporting System

<https://ers.jhu.edu/GenericERS/welcome.jsp?defaultModule=ers>

Online training for Effort Certifiers

<http://lms4.learnshare.com/l.aspx?CID=89&A=2&T=350102>

Effort Reporting Guide for School of Medicine Faculty

<http://finance.jhu.edu/depts/frc/SOMFacultyEffortGuide021804.pdf>

OMB Uniform Guidance 2 CFR 200.430

<http://www.ecfr.gov/cgi-bin/text-idx?node=2:1.1.2.2.1>