



POLICIES

Effective Date: March 1, 2011

Retired:

Revised:

Approved by: Wayne J. Riley, M.D., MBA, MACP
President and Chief Executive Officer

Subject: **Institutional Time and Effort Reporting Policy for Federal and Other Sponsored Research**

PURPOSE:

Time and Effort reporting is a federal requirement. The **Office of Management and Budget (OMB) Circular A-21, Cost Principles for Educational Institutions – Compensation for Personal Services** includes regulatory requirements for the planning, confirmation, and certification of effort associated with sponsored activities. Effort directly charged to sponsored projects, cost sharing, and any other funded activities must be identified in Meharry's effort distribution and reporting system.

This policy is issued to outline the regulatory requirements governing effort reporting at Meharry Medical College. Effort reporting encompasses many processes, including committing effort, charging and cost sharing salary expense for effort, and certifying effort to support commitments and salary charges. As a recipient of significant sponsored funds, Meharry Medical College must assure Federal and other sponsors that the effort expended on their sponsored projects justifies the salary charged to those projects. In addition, Meharry must assure sponsors that the commitment indicated (including cost sharing) in the proposal and subsequent award is met in accordance with the sponsor's terms and conditions.

Meharry Medical College provides this assurance to sponsors by requiring **quarterly** effort reports for each individual whose salary is charged to one or more sponsored projects and/or cost sharing accounts during the effort reporting period. These effort reports represent the percentages of the individual's total effort (100%) that is dedicated to sponsored projects and other activities performed at Meharry, and require a certification that the reported percentages are accurate.

Financial penalties, expenditure disallowances, and even harm to the College's reputation could result from failure to comply with effort reporting policies and requirements of providing accurate effort certifications on a quarterly basis.

POLICY STATEMENT:

- Meharry Medical College is committed to ensuring that effort reports made

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in connection with sponsored projects are accurate.

- All faculty and staff who are involved in allocating salaries and wages to sponsored projects, managing sponsored projects, or completing effort reports are responsible for understanding the principles of accurate and timely effort reporting.
- All individuals paid from or with effort committed to a sponsored project are required to complete an effort report.
- In **no** case can the percentage of an individual's salary charged to a sponsored project exceed the percentage of the individuals' total effort that is expended on the project during an effort reporting period.
- If the percentage of total effort expended in a given reporting period is less than the percentage of salary charged to the sponsored project during the period, the salary charges must be reduced to reflect actual effort committed.
- The effort statement must accurately reflect the time PIs spend preparing proposals and conducting other administrative work. **PIs cannot certify 100% effort on sponsored projects unless they are on sabbatical from their teaching and other administrative duties.**
- Before principal investigators or key personnel change their effort by more than 25%, they **must** notify the Office of Research to determine whether prior sponsor approval is required.

DEFINITIONS:

Effort: Effort is the time spent on any activity by an individual, expressed as a percentage of the individual's total Institutional Base Salary.

Institutional Base Salary: IBS is the annual compensation paid by the College for an employee's appointment. Activities that would typically be considered part of IBS include externally sponsored research, departmental research (participation in study sections, peer review of manuscripts, or unfunded effort on externally sponsored research), clinical service effort, administrative activities (responsibilities as Department Chair, Program Director, department activities, etc), effort expended on preparing proposals for new sponsored projects, and uncompensated service in external Professional Organizations and Societies related to one's work. The IBS does not include bonuses, one-time payments or incentive pay.

Effort Reporting: Effort reporting is the process by which the College determines

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and documents the effort expended on sponsored projects and other activities during each effort reporting period. The effort report documents the proportion of time devoted to sponsored projects, teaching, clinical practice, and other activities, expressed as a percentage of an individual's 100%, total effort.

Effort Certification: Effort certification is the affirmation by the individual completing each effort report form that the percentages of effort reported on the form are accurate. Knowingly signing an inaccurate effort certification is a serious violation of Meharry's policy, as well as potentially a violation of civil and criminal fraud statutes.

PROCEDURE:**Proposing Effort and Requesting Salary Support**

Levels of effort proposed in any sponsored project application should be consistent with the actual effort that each individual is expected to expend on the project during the relevant project period(s). The amount of salary support requested should normally be determined by multiplying the proposed level of effort by the individual's Institutional Base Salary. For example, if the proposed level of effort is 50% or 6 months, and the individual's Institutional Base Salary is \$100,000, normally the requested salary support would be \$50,000 per year. For more information on what comprises an individual's Institutional Base Salary refer to the [Institutional Base Salary policy](#).

In cases of cost sharing, the amount of requested salary support may be less than the percentage of effort multiplied by the individuals IBS. Although Meharry Medical College discourages voluntary cost sharing in order to maximize sponsor cost reimbursement to support the continued growth of the research enterprise, there may be times when it is appropriate, or cost sharing is mandated by the sponsor. For example, NIH imposes limitations on the amount of IBS that may be used as a basis for charging salary to projects. In this case, if an individual's IBS exceeds the maximum that NIH allows, salary can only be requested at a rate equal to the NIH salary cap multiplied by the percentage of effort. In no event should the requested salary support exceed the amount determined by multiplying effort by an individual's IBS.

No matter the salary requested, the total amount of effort committed to the project

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must be provided and ultimately certified. Sponsors generally consider estimates of effort in project proposals to be commitments if these proposals are subsequently awarded. Principal Investigators and other key personnel are responsible for ensuring that these commitments are met, and if effort needs to be significantly adjusted (25% of total effort) that they approve these changes with the sponsor.

Completion and Certification of Effort Reports

Every quarter an effort report will be generated for all faculty and staff whose compensation was charged in whole or in part to a sponsored project during the respective effort period. These effort reports must be completed, certified, and submitted to the Grants and Contracts Office in a timely manner. Certifiers are expected to review the payroll distribution percentages on the effort report form, and determine whether those percentages reasonably correspond to the percentages of the individual's actual effort on each project or activity recognizing that within an academic setting, teaching, research, service, and administration are often intermingled.

If the effort percentages are incorrect, the individual will manually correct the percentages on the effort report, as well as submit a Salary Cost Transfer Form with the correct redistribution to the Grants & Contracts Office. When the Grants and Contracts Office receives the certified effort report and Salary Cost Transfer Form with the corrected percentages, the appropriate updates will be made in the system to retroactively change the salary charged to each FOAPAL, in order to represent the correct percentages of effort.

Salary Reallocation and Recertification:

Once certification of salary has been completed, only in rare circumstances will subsequent salary adjustments be permitted. If it is necessary to adjust the salary charges for a previously certified effort period, documentation must provide a detailed explanation of the need for the salary adjustment and subsequent recertification. A Salary Cost Transfer form with the appropriate justification must be approved by the Principal Investigator, Department Chair, and Dean of the school, and then be submitted to the Post Award Office, Grants and Contracts Office and Controller for approval. If approved, a recertification of the effort period and an appropriate salary reallocation is required.