What You Really, Really, Really, Really Need to Know About Effort Certification
Why Should We Care?

- This is a topic of intense federal scrutiny.
- Auditors sometimes visit with individual faculty members to discuss effort reporting and we do not want you to be in the uncomfortable position of not knowing the most essential facts about how to do it right.
- We are obligated by federal regulations to certify effort.
Why Should We Care?

- We are in this together – auditors fault institutional systems and individual certifications.
- Erroneously certifying effort (accidentally or with intent)
  - Can be viewed as fraud
  - May lead to an institutional audit by a Federal sponsor
  - Often results in significant penalties
Why Should You Care?

- Sponsor audits are becoming increasingly common.
- Penalties can be substantial.
- Even the most reputable institution is at risk.
Recent Audits / Fines Levied

- Northwestern University
  - $5.5 million (2003)
- Johns Hopkins University
  - $2.6 million (2004)
- East Carolina University
  - $2.4 million (2004)
- Harvard / Beth Israel Deaconess Medical Center
- University of Connecticut
  - $2.5 million (2006)
- Dartmouth
  - $37,780 (2005)
How is effort determined?

- **NOT** based on a 40-hour work week
- The 40-hour work week as the basis of % calculations is the most serious and most common misconception.
- Based on 100% of activities for which you are compensated by Agnes Scott College including:
  - **Sponsored project activities**
  - **Non-sponsored activities**
    - Administration (including duties as chair, dean, etc.)
    - Instruction (teaching, advising)
    - Research (excluding externally funded research)
- Expressed in percentages
AY Pizza Dough Story

- Academic Year Pizza Crust
  - “worth” your IBS
  - “weighs” your job description
Things to keep in mind

- 100% is 100%

- There are no nights and weekends

- Exempt employees (faculty and staff) are not paid by the hour — they are paid to accomplish their job
Components of “100% effort”

**Sponsored** project activities include:

- **Effort on federal grants or contracts***
  (e.g., NIH, NSF, NASA – including federal funds that have flowed to ASC from other institutions)

- **Effort on non–federal research projects***
  (e.g., a foundation grant)

- **Administrative effort related to a sponsored project***
  - Writing progress reports
  - Holding a meeting with staff
  - Presenting research results at a scientific conference
  - Reading scientific journals to keep up to date with the latest advances in the project topic area.

* Even if your effort is not completely paid by the sponsor (i.e., salary cost sharing)
Components of “100% effort”

Non-sponsored activities include:

- Teaching
- Advising
- Research funded by ASC
  - (i.e., research you do as part of your regular workload for ASC)
- Department Chair duties
- Attending general departmental faculty meetings
- Serving on College committees
- Proposal preparation
Activities **NOT** Included

- External professional activities paid through an agreement outside your Agnes Scott college workload (e.g., consulting engagements, incidental work for ASC that is over and above your workload)

- Serving on an NIH Study Section or NSF Peer Review Panel

If you have any questions about whether an activity is or is not part of the effort considered in the **100% institutional base salary**, check with the Office of Sponsored Programs.
The degree of tolerance at Agnes Scott College is +/- 5%
Pay distribution will reflect effort distribution

- Salary and wages charged to sponsored projects should reasonably reflect the proportionate share of time spent on the project.

- Cost share commitments must be included in the effort distribution.

- Salary payments cannot be made for effort not applied to the project.
Who certifies the report?

- Each employee reviews and signs her/his own effort certification form.

- Exceptions are sometimes necessary (e.g., the researcher is out of the country or is on temporary leave of absence). Contact Sponsored Programs to determine if an exception is necessary.

- Federal requirements stipulate that anyone certifying effort for another individual must credibly have first hand knowledge of that individual’s actual effort.
How does the process work?

It depends on your classification:

- For 9-month faculty employees, effort report is preprinted with promised effort distribution
  - Each academic term and each half of summer
- For 12-month exempt employees (even those who hold faculty rank), effort report is preprinted with promised effort distribution
  - Every six months
- Non-exempt employees (those paid by the hour) certify their effort when they submit their time sheets (they certify their time)
  - Each pay period
How does the process work?

- Individual inserts percentages of actual effort and verifies the report as a **reasonable estimate of actual effort** worked by signing the report.

- A variety of resources may be relied upon to jog one’s memory and document effort allocations:
  - Calendars
  - Journals, logs, and blogs
  - Teaching schedules
  - Leave reports
  - Correspondence
  - Outside activity forms
Summer Pizza Dough Story

- Difference between
  - potential effort
  - actual effort
- Limits on amount allowed
Red Flag Issues / Audit Triggers

- Late effort reports
- Effort certified by someone lacking first-hand knowledge of the individual’s actual effort
- Percentage outside of sponsored project is insufficient to credibly cover teaching, administrative, or other College work
- Multiple post-certification revisions
- Significant data inconsistency between effort report and other documentation such as:
  - Calendar
  - Leave reports
  - Other support forms
  - Outside activity forms
Effort reporting is under scrutiny by the Office of Inspector General at NIH, NSF, and other agencies.

Each **individual** is responsible for **certifying** his or her own effort.

The effort % is **NOT** based on a 40-hour work week. It is based on the individual’s actual amount.

Effort reporting tracks the **reasonable approximation** of **actual activity** on projects.

*It should not simply mimic budgeted amounts.*

Effort reporting is our means of providing assurance to sponsors that faculty and staff have met their commitments, paid or unpaid, to extramural projects.
Help is available in the OSP

- Pamela Napier
- Buttrick 207
- 404–471–6951

- Emily Kandetzki
- Buttrick 109
- 404–471–6952

osp@agnesscott.edu
For our effort reporting system to have integrity and pass audit,
  • The College’s procedure needs to be based on the federal accounting principles for effort and
  • Individual effort certification needs to follow the basic guidelines published by the Office of Sponsored Programs

We want to assist you in any way we can