

VANDERBILT UNIVERSITY UNDERSTANDING EFFORT REPORTING

INTRODUCTION

This document has been developed to assist faculty and administrators in understanding the federal government's requirements for effort reporting. It does not replace existing Vanderbilt policies, nor does it address every aspect of the federal government's Office of Management and Budget (OMB) Circulars A-21 or A-110. Any questions about Vanderbilt's effort reporting policies should be directed to each school's administrative and research officers; the Office of Contract and Grant Accounting (OCGA) at 3.6655; or the Department of Finance, Academic and Research Enterprise at 2.3293.

DEFINITIONS

What is effort?

Whenever any portion of a person's salary is charged to a federal grant, the government requires the employee to certify that the portion of salary charged to the grant corresponds accurately to the portion of institutional effort devoted to work on that grant. The government defines someone's *institutional effort* in any period of time as all work performed for Vanderbilt during that time, except for a few specific activities that the government excludes from its definition.¹ Institutional effort includes, but is not limited to, instruction, research, Vanderbilt-related public service, and significant and continuing administrative duties, both those paid through some type of supplement and those that are not compensated separately.

Funding agencies require the University to report *percentage of total institutional effort* spent on each grant. When reporting percentage of institutional effort spent on a grant in a time period, that number should represent the fraction of the person's institutional effort that was devoted to the project, regardless of where the work was performed, and regardless of the total number of hours the person devoted to (all) institutional effort in the time period, with the following qualification:

Many faculty spend significant time in the summer in research, supervising dissertation research, preparing courses, and other professional activities for which they do not receive summer salary. The theory underlying effort reporting views such effort as part of total institutional effort, but uncompensated.

In practice, however, Vanderbilt's accounting system records only effort for which Vanderbilt pays compensation. Therefore, in any month that a person receives less than full-time salary for that month, the percentage of effort that Vanderbilt reports and employees certify is the percentage of institutional effort for which compensation is paid

¹ Activities that employees may consider to be part of their professional obligations but the Federal government excludes from its definition of institutional effort include, but are not limited to, service on peer review panels; leadership in professional organizations; outside professional work (see External Consulting, below); and volunteer or community work.

(compensated effort), rather than the percentage of total institutional effort, which is comprised of both compensated and uncompensated effort.

The form in which compensation is paid for any task - whether as annual salary, academic-year salary, summer salary, salary supplement, or bonus - does not affect the need to include that task in the measure of institutional effort.

How do I calculate effort?

As stated above, effort charged to each grant in any pay period must accurately reflect time spent working on that grant. Employees must report the percentage of total institutional effort that is devoted to each activity. When estimating percentages, it is important to remember that the number in the denominator (total institutional effort) measures actual time worked by the employee (or when receiving only partial salary, the time worked for which compensation is paid), rather than some representation of a university, department, or other standard, such as 50 hours per week. Effort percentages must accurately reflect the fraction of actual effort spent on the activity, taking into account all other institutional responsibilities for which the employee receives compensation.

By definition, the percentage of all projects for which a person receives compensation, including work other than for sponsored projects, must sum to 100%.

In any given month, 100% of an individual's full-time compensation may be charged to federal grants or contracts *only* when that individual's entire effort during that month is expended on, and in proportion to, work supported by those same grants or contracts.²

Who has to report effort?

Anyone for whom any portion of salary is charged to a federally sponsored award, or for whom effort is being cost cost-shared to a federally sponsored award, must certify that the salary paid (or the amount cost shared) is reasonable in relation to the effort expended on the project associate with the award. Employees must certify their effort each time their sources of salary change, and at least once a year.

What is an effort report? What am I directly responsible for?

An effort report is essentially documentation of a faculty or staff member's activities as part of his or her work for the university. Vanderbilt requires that the individual performing the work (not his/her supervisor or a grants manager) must certify the effort report, with rare exceptions.

Hourly employees certify their effort every two weeks, when they sign their timesheets. Monthly employees certify their effort via ePAC, the electronic Personnel Action Change system, each time a change in their salary or distribution of salary is submitted in the payroll system.

² Federal regulations allow small amounts of time, defined by Vanderbilt as no more than 2.5% of someone's effort in any given period, to be spent on incidental activities. These can be excluded from institutional effort. See Incidental Activities, below.

When certifying an effort report, employees must remember to take into account all institutional activities in which they engage, including administrative duties such as those associated with serving as department chair, program director, or center or institute director; serving on the IRB or IACUC; or participating in Vanderbilt Visions.

ADDITIONAL TOPICS

External Consulting

External consulting activities carried out within the limits set by Vanderbilt's faculty consulting policy are not included in the government's definition of institutional effort. Hence such activities should not be included when determining percentage of institutional effort devoted to any project. To review the faculty consulting policy, please see Vanderbilt's Conflict of Commitment Policy, beginning on page 82 of the Vanderbilt Faculty Manual.

Incidental Activities

Federal regulations allow for small amounts of time spent on *incidental activities* when measuring and reporting institutional effort. The effort spent on incidental activities is said to be excluded from the measurement of institutional effort. Vanderbilt defines incidental activities as activities that are non-routine, nonrecurring, and together total less than 2.5% of the available effort during any month or pay period.

Proposal Writing

In most instances, faculty and staff are not permitted to charge salary to grants or contracts for time spent writing proposals. Hence, faculty on academic-year appointments who receive full summer salary from grants or contracts typically cannot devote time in the summer to writing proposals. Stated differently, any effort during the summer spent writing proposals must either be charged to a non-grant source of funds or must be uncompensated effort. Postdoctoral fellows, research associates, research faculty or staff, and any others supported 100% throughout the year via grants or contracts may not spend time writing proposals during time they are being paid to work on a grant or contract. This prohibition also applies to graduate students generally, but it does not apply to postdoctoral fellows and graduate students supported by federal training-grant stipends that require no specific service in return for that support.

Stipends and Salary Supplements

If someone in one school, department, or center wishes to pay a faculty member, postdoctoral fellow, or research associate in another school to participate in non-federally funded activities within that school (e.g., to develop or teach a course or participate in an internally funded research project), approval in advance must be received from both the chair of the person's home department and the dean of the person's home school. In schools without departments, approval of the dean will suffice. This university requirement applies regardless of whether or not the faculty member or research staff devotes effort to federal grants or contracts. Any questions should be addressed to the departmental administrator or school financial officer.

Summer and the Academic Year

Vanderbilt has defined its academic year as running from August 16 until May 15; summer is defined as the period from May 16 through August 15. Faculty members receiving nine-month academic year salaries are paid in twelve equal payments; their effort is charged at the rate of 1/9 x academic-year salary per month of full-time effort. (During the summer, effort is charged at the rate of 1/9 x academic-year salary of the immediately preceding academic year per month of full-time effort).

Summer Vacation

Regular and research faculty are prohibited from charging salary to grants or contracts for time spent on vacation, including vacation during the period defined as summer. For the summer months (defined above), Vanderbilt's policy is that no one may charge more than 85% of three months' salary to federal grants or contracts, presuming they expect to take a vacation during the summer months.

Vanderbilt will allow faculty, postdoctoral fellows, and research associates to charge 100% of effort to grants, providing they certify *in writing* that no vacation will be taken during the summer months. The written certification must be made to the dean and updated annually. If someone charges 100% of their time during these months to grants or contracts, they must actually spend 100% of their time working on those grants and contracts as noted.

If faculty, postdoctoral fellows, or research associates have any questions as to how this policy relates to non-federal funds, they should discuss it with their school's administrative and research officers.

ADDITIONAL RESOURCES

White House Office of Management and Budget (home page): <http://www.whitehouse.gov/omb/>

OMB Circular A-21: http://www.whitehouse.gov/omb/circulars_a021_2004/

OMB Circular A-110: http://www.whitehouse.gov/omb/circulars_a110/

NSF Office of the Inspector General Audit Reports and Publications:
<http://www.nsf.gov/oig/auditpubs.jsp>

U.S. Department of Health and Human Services Office of Inspector General NIH Audits:
<http://oig.hhs.gov/oas/nih.asp>