

Effort Certification for Core Facilities

- Office of Cost Studies-

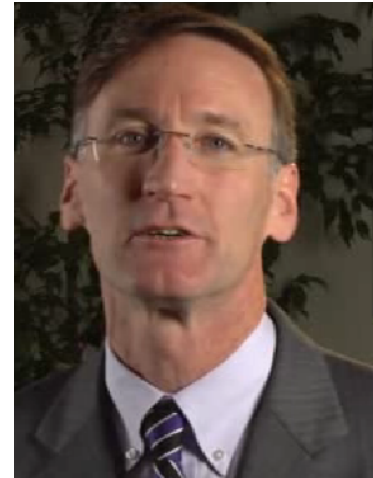
<http://www.northwestern.edu/coststudies/effort.html>

FY2014

Jennifer Wei

V.P. Walsh's Challenge

- Be a champion for research compliance
- Protect Northwestern's investment in a safe research environment
- Pave the way for making the highest impact discoveries



*See video clip of V.P. for Research Jay Walsh:

<http://www.research.northwestern.edu/finpolicies/introtoeffortreporting.htm>



Meet the Challenge!

- Understand federal effort reporting regulations and the Northwestern policies that support these regulations
- Follow established NU effort reporting procedures



Why Report Effort?

Why Report Effort?

- As a recipient of federal research funding, it is required by Federal regulations that an acceptable method is utilized for documentation of personnel expenses
- *Salaries/wages represent ~75% of Direct Costs*

Effort Reporting Verifies:

- Appropriate salary and wage expenses were charged to sponsored programs
- Cost Share (Mandatory and Voluntary Committed) was performed as promised

- *Cost Share: portion of the project costs not covered by the project but is a cost match provided by a non-sponsored fund*



Effort Certification

– NU’s Approach to fulfill Federal regulations

OMB New Uniform Guidance (2 CFR Part 200):

“Charges to Federal awards for salaries and wages must be based on records that **accurately reflect the work performed.**”

“Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities”



Risk of Non-Compliance...

Institution	Settlement Date/ Agency	Alleged Misconduct Issues	Settlement
Yale University	2007	Cost transfers; summer salary charges	\$7.6 million
University of Massachusetts Medical School	NIH	Cost transfer; unsupported labor charges	\$24K; triggered Yale & Roger Williams Hospital audits
California Institute of Technology	2006 pending NSF review/ NSF	Timeliness; NSF grants	N/A
Howard University	2006	Cost sharing on NSF grants	N/A
University of Pennsylvania	2006/ NSF	Timeliness; cost transfers	\$3.3 million
University of Alabama at Birmingham	2005	Research work overstated; Medicare billed for research	\$3.4 million
Harvard University	2004	Government billed for salaries & expenses unrelated to federal grants	\$2.4 million
Johns Hopkins University	2004/ NIH	Faculty time & effort overstated	\$2.6 million
Florida International U.	2004	Cost transfers and direct costs	\$11.5 million
Northwestern University	2003	Institutional base salary (NMFF-NU); K award; certifier assignment	\$5.5 million

What is Effort?

- Effort is expressed in the percentage of time spent towards particular work-related activities
- Not based on a 40-hour work week, but is expressed as % based on Total Hours spent on University-compensated activities during that reporting period (e.g., quarterly)

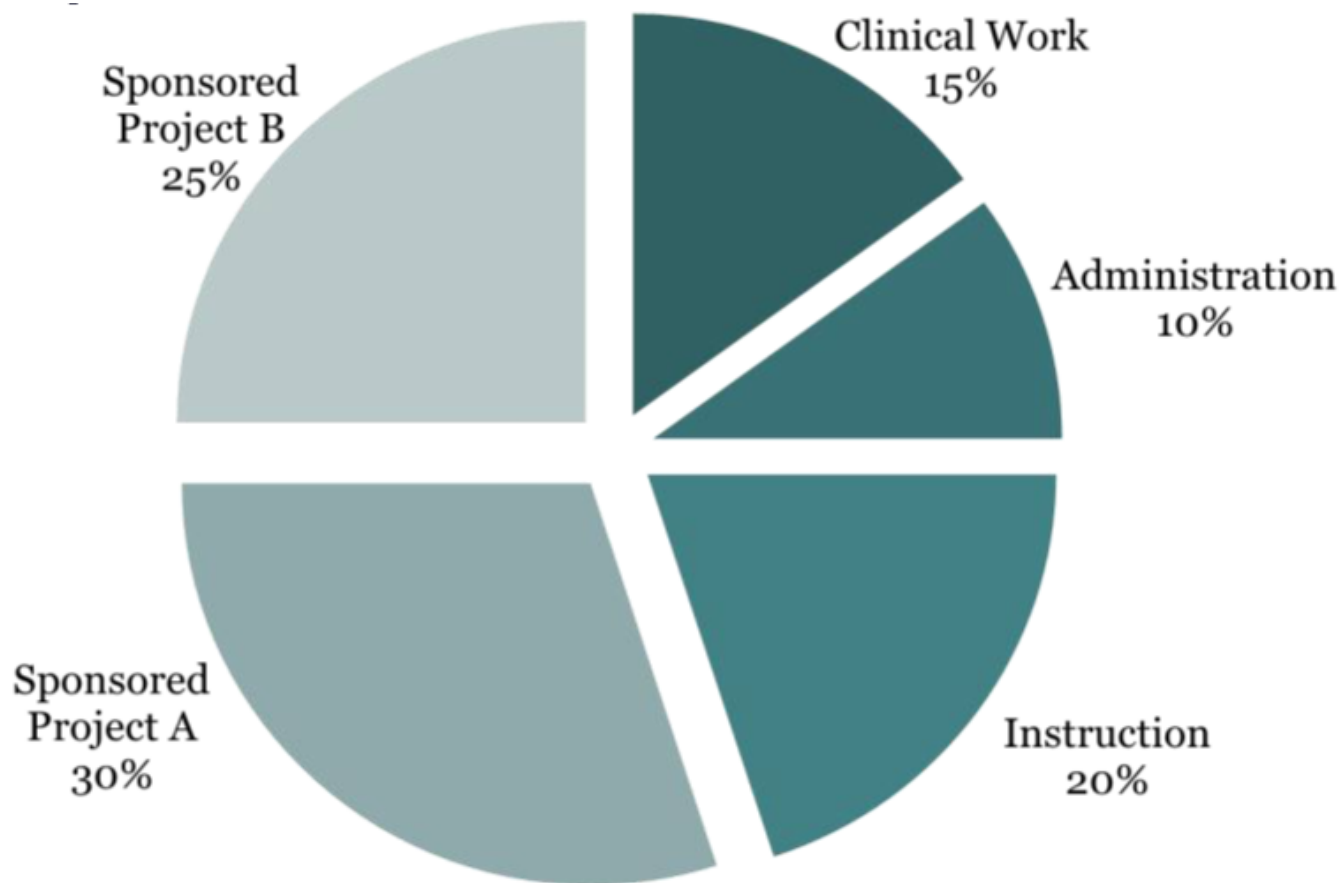
Example:

- if a person averages 60 hours per week during a reporting period and spends an average of 15 hours on a sponsored project, that person has spent 25% effort on the sponsored project and 75% effort on other activities.



EXAMPLE:

Effort allocation based on time spent for that period*



* *Demonstration only*



Effort is defined in %, not hours

Uniform Guidance, 200.430 (i)(1)(x):

“It is recognized that *teaching, research, service, and administration are often inextricably intermingled* in an academic setting. When recording salaries and wages charged to Federal awards for IHEs, *a precise assessment of factors that contribute to costs is therefore not always feasible, nor is it expected.*”

* IHE – Institutions of Higher Education



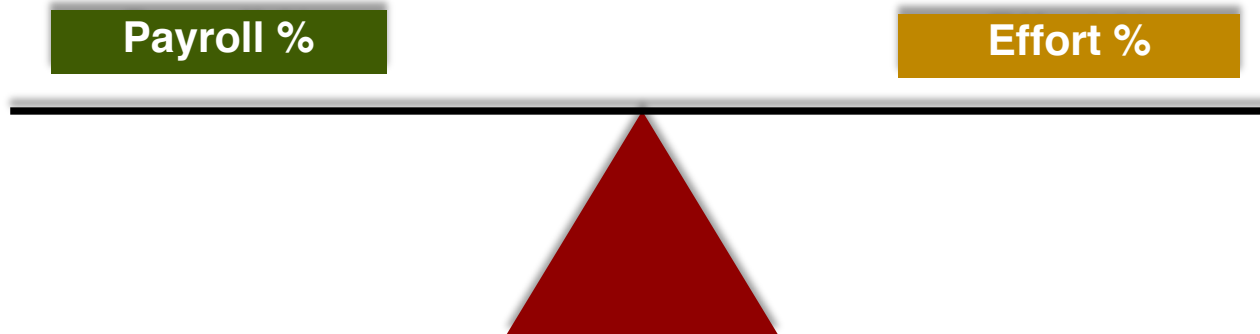
Payroll Charges - Key Principles

Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed

- **If salary charges are greater than effort certified, salary must be adjusted for each reporting period**
- **Effort commitments (paid and cost shared effort) should be met within the Budget Period**



Effort Confirmation



An Example of Effort Report

Northwestern University
Reporting Period: 2Q2009 (12/01/2008 - 02/28/2009)

Certified Effort Statement

Name: King, Emily
SubDept: 888111

Employee ID: 8888102
Division: 888

Title: Assoc Professor
Title Code: 100018



[View Previously Certified Effort Statements](#)

Accounts		Payroll %	Cost Sharing %	Total %	Certified Effort %
Sponsored Accounts					
650-5246000-60016972	Drug Discovery T	8%	0%	8%	8%
610-5249999-60012345	CHEMO RESEARCH	29%	0%	29%	29%
610-5991234-60099999	STEM CELL RESEARCH	29%	0%	29%	29%
Total Sponsored Accounts:		66%	0%	66%	66%
Non-Sponsored Accounts					
160-1234567	Recharge Operation	11%	0%	11%	11%
710-1234567-99991234	NU MED FACULTY	23%	0%	23%	23%
Total Non-Sponsored Accounts:		34%	0%	34%	34%
Grand Total:		100%	0%	100%	100%

For a Sponsored Project (Chartstring Prefix 610 to 650), if Payroll % is lower than Certified Effort, generally it means the sponsored project is overcharged. Administrator will submit a journal to credit the sponsored project.

Institutional Summary		(Non-Sponsored by Activity)
	Instruction	0%
	Departmental Research	11%
	Administration	0%
	Other Institutional Activity	0%
	University-funded NMH/NMFF Activity	0%
	University Medical Faculty Foundation Activity	23%
	Industry-Sponsored Clinical Trials	0%

I certify that allocation of activity for the individual shown above is a fair representation for the period noted.

Form Certified By:

Key Concepts for Recharge Centers

- Most academic recharge centers charge sponsored projects (internal users) based on the costs;
 - Generally, Cost Share using the recharge chartstring is not allowed
- Recharge center’s chartstring has a prefix 160 (Fund Code). e.g., 160-xxxxxxx-xxxxxxx

	Chartstring Prefix (Fund Code)
Federal Sponsored Projects	610, 611, 620, 621 (not used to fund cost share)
Other Sponsored Projects	630 to 650 (not used to fund cost share)
Companion Cost Share	191, 192, 193 (designated cost share funds)
Recharge Centers	160 (not used to fund cost share)
Other non-sponsored funds	110 to 4xx (may selectively used to fund cost share)
NMG(Northwestern Medical Group)	710 (not used to fund cost share)

Revisited

Certified Effort Statement

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Employee ID: 8888102

Title: Assoc Professor

SubDept: 888111

Division: 888

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Accounts		Payroll %	Cost Sharing %	Total %	Certified Effort %
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650-5246000-60016972	Drug Discovery T	8%	0%	8%	8%
610-5249999-60012345	CHEMO RESEARCH	29%	0%	29%	29%
610-5991234-60055539	STEM CELL RESEARCH	29%	0%	29%	29%
Total Sponsored Accounts:		66%	0%	66%	66%
Non-Sponsored Accounts					
160-1234567	Recharge Operation	11%	0%	11%	11%
710-1234567-99991234	NO MED FACULTY	23%	0%	23%	23%
Total Non-Sponsored Accounts:		34%	0%	34%	34%
Grand Total:		100%	0%	100%	100%

If Certified Effort is lower than Payroll %, it means the recharge fund has been used as cost share for another activity

Other Key Concepts

- Salary increase cannot be based on receiving a sponsored funding
 - Salary Increase may be based on performance or responsibilities
 - Charges to sponsored projects according to **Institutional Base Salary (IBS)**
- Institutional Base Salary (IBS) at NU (Base for 100% Effort)
 - **Includes:**
 - ✓ Teaching, research and administration, and NMFF activity, if applicable
 - ✓ Paid appointments as chair, dean, and/or center director
 - **Excludes:**
 - ✓ Outside consulting activities
 - ✓ Extra service pay (overload, additional pay) according to NU written policy and procedures (reviewed by school, OSR, Effort Team, etc.)
 - ✓ VA effort

Need More Effort Information?

- Faculty/Certifier Quick Start Guide:
 - <http://www.northwestern.edu/coststudies/effort.html>
 - Then click one of the links under Faculty or Certifiers
- Online Effort Reporting System (ERS) logon:
 - <https://ers.northwestern.edu>
- Need Faculty Quick Start Guide to email to you or have more questions?
 - Please contact jennifer-wei@northwestern.edu (7-2473)

<http://www.northwestern.edu/coststudies>