



time and effort reporting

# Time and Effort Reporting

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effort

# Effort Reporting Required Resources

- NIH Office of Extramural Research Home Page  
<http://grants.nih.gov/grants/OER.htm>
- OMB Circular A-21  
[http://www.whitehouse.gov/omb/circulars/a021/a21\\_2004.pdf](http://www.whitehouse.gov/omb/circulars/a021/a21_2004.pdf)
- OMB Circular A-110  
<http://www.whitehouse.gov/omb/circulars/index.html>
- OMB Circular A-133  
<http://www.whitehouse.gov/omb/circulars/a133/a133.pdf>
- **NIH Grants Policy Statement (12/2003)**  
[http://grants.nih.gov/grants/policy/nihgps\\_2003/](http://grants.nih.gov/grants/policy/nihgps_2003/)
- **OASC-3 Revised** (July 1974 Hasn't been revised since.) A Guide for Hospitals Cost Principles and Procedures for Establishing Indirect Cost and Patient Care Rates for Grants and Contracts with the Department of Health, Education, And Welfare

# Effort Reporting Fundamentals

- Before developing Effort Reporting Practice or Procedure must have a clear understanding of the following:
  - Institutional Base Salary (IBS)
  - Cost Sharing
  - Cost Transfers
  - Payroll Policies
  - Effort Reporting Policies
  - Reconciling effort reported with salary paid by effort reporting period

# Institutional Base Salary (IBS)

- Salary used to determine amounts requested for personnel in applications and proposals and charged to NIH grants and contracts
- Annual compensation paid for an employee's appointment, whether that time is spent on research, teaching, patient care, or other activities
- Excludes income an individual is permitted to earn outside of duties for the applicant/grantee organization
- May not be increased as a result of replacing organizational salary funds with NIH grant funds. See NIH Grants Policy Statement 12/1/2003 page 11. [http://grants.nih.gov/grants/policy/nihgps\\_2003/NIHGPS\\_part2.htm](http://grants.nih.gov/grants/policy/nihgps_2003/NIHGPS_part2.htm)
- Fixed and guaranteed for the fiscal year, can not vary throughout the fiscal year within the period for which total IBS is certified by the grantee institution
- Develop a clear policy of what constitutes IBS in your organization and what specific compensation components are excluded from IBS and the specific annual amount(s) that will be used to determine salary requests for grant applications for all years of the application
- <http://grants2.nih.gov/grants/guide/notice-files/NOT-OD-05-061.html>

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# Other Salary Issues

- Salaries and Wages are allowable costs
  - Reasonable and consistently applied regardless of funding source
  - Reflect no more than the percentage of time actually performed on an individual project
- Method for calculating Salary Wages- number of decimal places (rounding)
- Effort reports must reflect all compensated activities, including efforts not federally funded (e.g. instruction, governance, and academic advising)
- Activities within the scope of the employment relationship are considered compensated
- Consider whether employees should be appointed 100% on sponsored research or require a minimum percentage for administrative or teaching responsibilities
- Dual appointments

# Cost Sharing

- Cost sharing is the mandatory or voluntary commitment of institutional resources contained in the proposal or award. The concept of matching is synonymous with Cost Sharing.
- Mandatory Cost Sharing (Account and Track)
  - Salary-cap
  - Voluntary committed
- Voluntary Uncommitted Cost Sharing
- No cost sharing from another federal source or a source for which you must report effort



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# Cost Transfers

- Appropriate segregation
- Tracked and individuals or departments with excessive amounts or numbers monitored
- Occur timely and within 90 days of the original transaction
- Three year retention period
- Not permitted after Effort Reports are completed and signed by the individual or after the Sponsored Program closeout date, unless it benefits the sponsor

# Payroll and Effort Interdependency

Payroll

Effort Report



Must stay in balance!

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# Payroll Policies

- Never make a change to a prior pay period after the effort reporting period for that that pay period has been certified and closed!
- Plan to pay the employee the full amount requested in the grant application. Cost share any difference if necessary.
- Round to whole numbers in salary distribution percentages.
- Ensure salary distribution process and changes work correctly and flow to the general ledger.
- Must have a strong dialogue/relationship between Payroll and Research Services.

# Effort Reporting Policies

- Frequency of reports
- Time allowed to complete forms
- Who signs the confirmation/acknowledgement
- Forms not completed or submitted
- Reporting in whole numbers
- Recertification?
- Tolerance

# Effort Report Components

- Reflect all compensated activities
- Activities within the scope of the employment relationship are considered compensated.
- Reasonable estimate of the work performed by the employee during the period.
- Supplemental Activities “Incidental Work”
- Signature requirements
  - Employee, principal investigator, or responsible official
  - Suitable means of verification that the work was performed
  - “Responsible official” is not your secretary

# Effort Reporting Basis

- Effort reports should be prepared on a percentage of effort basis so as to assure consistency with award terms and utilize flexibility of regulation.
- Separate from:
  - Payroll appointment (should be aligned)
  - Time sheets
  - Time studies
  - Physician Time Allocation Agreement (PTAA)
    - If completing a PTAA, the PI should ensure that at least as much effort reported on Contracts and Grants is shown on the PTAA as well.

# Confirmation

- Effort reports must be confirmed by an individual with full knowledge of all aspects of the employee's effort.
- Reports should be confirmed or acknowledged by the employee whenever possible, but may be approved by the PI or Chair in the employee's absence
- Assessments of payroll and effort consistency should occur by reporting period, permitting variations between effort and payroll on the effort reporting period basis.

# Tolerance within Effort Reports Related to Committed Effort

- 25% tolerance
- If committed 30% effort 25% of 30 is (7.5%)
- 22.5% - 30% range without having to ask advance permission from NIH to change budgeted amount.

# Tolerance within Effort Reports Related to Actual Paid

- Supposed industry standard 5% tolerance of reported effort compared to paid salary.
- If actually paid 30%, the tolerance of actual worked can only be 1.5%, i.e. 5% of 30. Actual effort could be as low as 28.5% without having to initiate a cost transfer.
- Carefully consider the tolerance that you maintain. This should be carefully analyzed, it can reach substantial amounts charged to the grant.

# Effort Committed but No Salary

- Key personnel who have committed effort on grant proposals must perform the effort regardless whether they are paid.
- If they are not paid, often this is a manual process to add the project to the actual effort report.
- This is voluntary committed cost sharing.

# Pitfalls for Effort Reporting

- Having administrative personnel change activity estimates prior to certification
- Having personnel, with no means of verification, complete the effort report
- Re-certified reports
- Not certifying effort report by PI timely
- No effort report for persons with effort committed but no pay

# Online Effort Reporting Companies

- Huron
- InfoEd
- Maximus
- Most online effort reporting systems contain the same features, bells, and whistles. However, the most important factors are well thought out policies and procedures for managing effort prior to implementing a system.



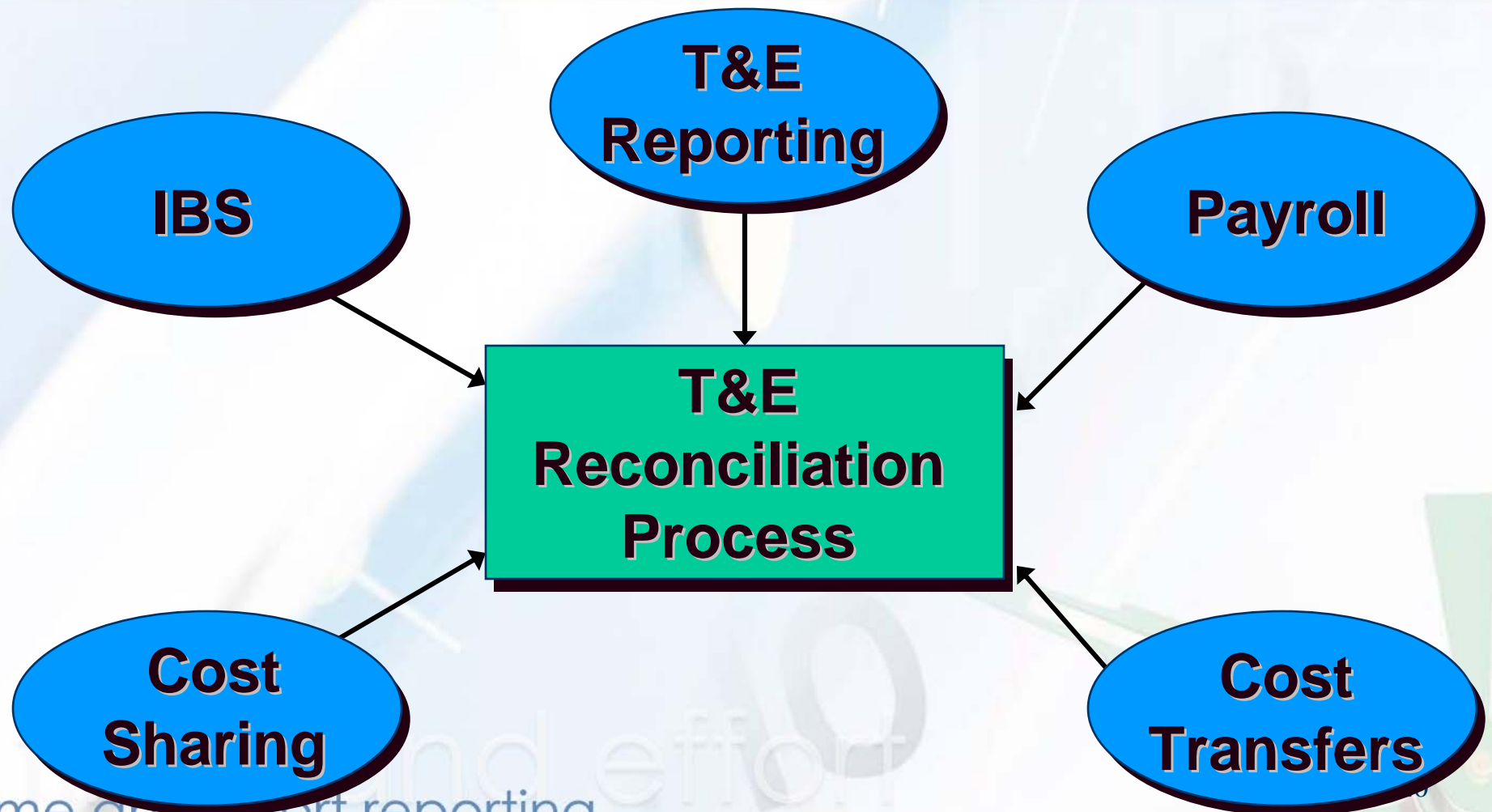
time

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## UTMB's Reconciliation Process

effort

# Convergence of Theory, Functional, and Analytical Issues



# Sample 1: A&P T&E Recon Sheet (Over Salary Cap)

Employee Name		12345 Doe, Jane Q				Assigned to Org		2680000	
Position Number		23717							
1st Quarter 2006									
Account #	Account Title	Salary	Max Salary per NIH Cap	Salary Percent	Effort % Reported	Difference	Cost Share	Cost Transfer	Cost Share Account
<b>Institutional Base Salary (IBS)</b>									
130112	ANESTHESIOLOGY	\$12,455.00	9,005.00	27.66%	20.00%	7.66%	N/A	N/A	
212240	MSRDP ANESTHESIOLOGY PT. CARE(See Suppl pay below)	\$0.00	900.50	0.00%	2.00%	-2.00%	N/A	N/A	
219710	SHRINE BURNS ANESTHESIOLOGY SURGER	\$29,375.01	13,507.50	65.24%	30.00%	35.24%	N/A	N/A	
295321	RITA EXPENSE - SOM(See Suppl pay below)	\$0.00	1,350.75	0.00%	3.00%	-3.00%	N/A	N/A	
425493	BETA ADRENERGIC BLOCKADE AND - I	\$4,282.43	4,502.50	9.51%	10.00%	-0.49%	\$220.62	None	219710
425494	GLUCOCORTICOID ANTAGONISM IN B	\$4,282.99	4,502.50	9.51%	10.00%	-0.49%	\$220.62	None	219710
425630	SUBSTRATE CYCLING IN ENERGY	\$4,282.99	6,753.75	9.51%	15.00%	-5.49%	\$2,471.87	None	219710
425850	NUTRITIONAL COUNTERMEASURES TO AME	\$6,534.09	4,502.50	14.51%	10.00%	4.51%	None	\$2,030.63	
499860	SALARY ACCOUNT - SURGERY	\$0.00	0.00	0.00%	0.00%	0.00%	None	None	
0		0	\$0.00	0.00	0.00%	0.00%	None	None	
0		0	\$0.00	0.00	0.00%	0.00%	None	None	
0		0	\$0.00	0.00	0.00%	0.00%	None	None	
0		0	\$0.00	0.00	0.00%	0.00%	None	None	
<b>SubTotal</b>		<b>**SALARY OVER THE CAP**</b>		<b>\$61,212.51</b>					
		<b>SALARY AMOUNT APPLIED</b>		<b>\$45,025.00</b>					
<b>Other Pay Sources</b>									
212240	MSRDP ANESTHESIOLOGY PT. CARE	\$1,175.00							
295321	RITA EXPENSE - SOM	\$1,883.52							
0		0	\$0.00						
0		0	\$0.00						
0		0	\$0.00						
0		0	\$0.00						
<b>Other SubTotal</b>				<b>\$3,058.52</b>					
<b>Total</b>				<b>\$64,271.03</b>					

**Examples of Supplemental Pay:**

- Supplemental pay for extra work (ER moonlighting)
- SRAs
- Non-recurring merits (NRM)
- Salary Incentive Plan (SIP) payments

# Sample 2: A&P T&E Recon Worksheet (Under Salary Cap)

Employee Name 22222 Doe, John Q. Assigned to Org 6240100  
 Position Number 40897, 40898

1st Quarter 2006									
Account #	Account Title	Max Salary Salary	Max Salary per NIH Cap	Salary Percent	Effort % Reported	Difference	Cost Share	Cost Transfer	Cost Share Account
<b>Institutional Base Salary (IBS)</b>									
130228	OCCUPATIONAL THERAPY	\$1,662.35		3.75%	0.00%	3.75%	N/A	N/A	
132500	SAHS DIVISION OF REHAB SCIENCES	\$13,212.24		29.77%	10.00%	19.77%	N/A	N/A	
414653	INTERDISCIPLINARY REHABILITATION R	\$0.00		0.00%	10.00%	-10.00%	\$4,437.50	None	132500
423072	INDEPENDENT SCIENTIST	\$18,750.41		42.25%	0.00%	42.25%	None	\$18,748.43	
423295	LONGITUDINAL STUDY OF MEXICAN AMER	\$0.00		0.00%	5.00%	-5.00%	\$2,218.75	None	423072
423733	INTERDISCIPLINARY REHABILITATION R	\$0.00		0.00%	10.00%	-10.00%	\$4,437.50	None	132500
424581	STROKE RECOVERY IN UNDERSERVED POP	\$0.00		0.00%	15.00%	-15.00%	\$6,656.25	None	423072
425360	DISABLEMENT PROCESS IN MEXICAN AME	\$0.00		0.00%	20.00%	-20.00%	\$8,875.00	None	423072
425680	POSITIVE EMOTIONS AND EXCEPTIONAL	\$0.00		0.00%	5.00%	-5.00%	\$2,218.75	None	518238
425912	UTMB CLAUDE PEPPER OLDER AMERICANS	\$0.00		0.00%	10.00%	-10.00%	\$4,437.50	None	518328
464701	FUNCTIONAL STATUS AND PATIENT SAT	\$2,749.57		6.20%	5.00%	1.20%	None	\$532.50	
518328	SEALY CENTER ON AGING	\$8,000.41		18.03%	10.00%	8.03%	None	None	
0		\$0.00		0.00%	0.00%	0.00%	None	None	
<b>SubTotal</b>		<b>\$44,374.98</b>			<b>100.00%</b>		<b>\$33,281.24</b>	<b>\$19,280.93</b>	
<b>SALARY AMOUNT APPLIED</b>		<b>\$44,374.98</b>							
<b>Other Pay Sources</b>									
270700	SAHS DEVELOPMENT FUND	\$47.59							
130220	INTERDISCIPLINARY ALLIED HLTH EDUC	\$14,217.00							
0		\$0.00							
0		\$0.00							
0		\$0.00							
0		\$0.00							
<b>Other SubTotal</b>		<b>\$14,264.59</b>							
<b>Total</b>		<b>\$58,639.57</b>							

**Examples of Supplemental Pay:**

- Supplemental pay for extra work (ER moonlighting)
- SRAs
- Non-recurring merits (NRM)
- Salary Incentive Plan (SIP) payments

# Sample 3: Classified T&E Worksheet

Employee Name	33333 DOE SUSIE						Assigned to Org	2680001
Position Number	26580							
Pay Period ending 9-23-05								
Account #	Account Title	Salary	Salary Percent	Effort % Reported	Difference	Cost Share	Cost Transfer	Cost Share Account
Institutional Base Salary (IBS)								
218360	ANESTHESIA RESEARCH	\$95.61	2.86%	0.00%	2.86%	N/A	N/A	
415994	ZINC NEUROTOXICITY IN TRAUMATIC BR	\$1,003.68	30.00%	30.00%	0.00%	None	None	
425770	THE VIVO GENE SILENCING WITH SIRNA	\$921.12	27.53%	10.00%	17.53%	None	\$586.49	
490750	STRATEGIES TO IMPROVE NEUROLOGIC F	\$1,325.20	39.61%	60.00%	-20.39%	\$682.17	None	218360
0		\$0.00	0.00%	0.00%	0.00%	None	None	
<b>SubTotal</b>		<b>\$3,345.61</b>		<b>100.00%</b>		<b>\$682.17</b>	<b>\$586.49</b>	
Other Pay Sources								
0		0	\$0.00					Notes:
0		0	\$0.00					
0		0	\$0.00					
<b>Other SubTotal</b>			<b>\$0.00</b>					
<b>Total</b>		<b>\$3,345.61</b>						
Pay Period ending 10-21-05								
Account #	Account Title	Salary	Salary Percent	Effort % Reported	Difference	Cost Share	Cost Transfer	Cost Share Account
Institutional Base Salary (IBS)								
218360	ANESTHESIA RESEARCH	\$228.19	6.82%	0.00%	6.82%	N/A	N/A	
415994	ZINC NEUROTOXICITY IN TRAUMATIC BR	\$1,003.67	30.00%	30.00%	0.00%	None	None	
425770	THE VIVO GENE SILENCING WITH SIRNA	\$106.93	3.20%	9.89%	-6.69%	\$223.82	None	218360
490750	STRATEGIES TO IMPROVE NEUROLOGIC F	\$2,006.82	59.98%	60.11%	-0.13%	\$4.35	None	218360
0		\$0.00	0.00%	0.00%	0.00%	None	None	
<b>SubTotal</b>		<b>\$3,345.61</b>		<b>100.00%</b>		<b>\$228.17</b>	<b>\$0.00</b>	
Other Pay Sources								
0		0	\$0.00					Notes:
0		0	\$0.00					
0		0	\$0.00					
<b>Other SubTotal</b>			<b>\$0.00</b>					
<b>Total</b>		<b>\$3,345.61</b>						
Pay Period ending 11-18-05								
Account #	Account Title	Salary	Salary Percent	Effort % Reported	Difference	Cost Share	Cost Transfer	Cost Share Account
Institutional Base Salary (IBS)								
218360	ANESTHESIA RESEARCH	\$176.84	5.29%	0.00%	5.29%	N/A	N/A	
415994	ZINC NEUROTOXICITY IN TRAUMATIC BR	\$1,003.68	30.00%	30.00%	0.00%	None	None	
425770	THE VIVO GENE SILENCING WITH SIRNA	\$157.45	4.71%	9.89%	-5.18%	\$173.30	None	218360
490750	STRATEGIES TO IMPROVE NEUROLOGIC F	\$2,007.63	60.01%	60.11%	-0.10%	\$3.35	None	218360
0		\$0.00	0.00%	0.00%	0.00%	None	None	
<b>SubTotal</b>		<b>\$3,345.60</b>		<b>100.00%</b>		<b>\$176.65</b>	<b>\$0.00</b>	
Other Pay Sources								
212200	MSRDP ANESTHESIOLOGY EDUCATION	\$81.66						Notes:
0		0	\$0.00					supplemental pay is for tuition reimbursement
0		0	\$0.00					
<b>Other SubTotal</b>			<b>\$81.66</b>					
<b>Total</b>		<b>\$3,427.26</b>						

# Sample 4: A & P Post Recon Form or Planning Document

<b>Name:</b>	Jane Q Doe	<b>Instructions:</b>											
<b>Org:</b>	2680000	Shading denotes a column where you enter information.											
<b>Emp #:</b>	12345	Enter salary for all accounts including 1xxxxx, 2xxxxx, and 5xxxxx accounts.											
<b>Dept Name:</b>	Anesth	You must attach a copy of the FBDS submitted for the person.											
<b>Correcting FBDS #</b>	06-00099	You must include the cost sharing account for individuals over the salary cap and anyone who has a cost share situation.											
1. Is the annualized salary > \$ 180,100 - \$45,025 per quarter													
<b>Cap Amount for the qtr</b>											\$	45,025.00	
<b>Tolerance</b>											\$	-	
FRS Account Number	1st month- HRMS annual salary	2nd month- HRMS annual salary	3rd month- HRMS annual salary	Total salary per quarter	Quarterly salary paid or cap amount, whichever is less	Salary Percentage	Effort percentage	Cost Transfer or Cost Share	Variance- cost transfer amount needed	Max quarterly salary allowed based on effort reported	Variance - cost sharing amount	Cost sharing account	
130112	\$ 57,946	\$ 57,946	\$ 57,946	\$ 14,486.50	\$ 45,025.00	32.17%	20.00%						
212240	\$ -	\$ -	\$ -	\$ -	\$ 45,025.00	0.00%	2.00%						
219710	\$ 117,500	\$ 117,500	\$ 117,500	\$ 29,375.00	\$ 45,025.00	65.24%	30.00%						
295321	\$ -	\$ -	\$ -	\$ -	\$ 45,025.00	0.00%	3.00%						
425493	\$ 17,128	\$ 17,128	\$ 17,128	\$ 4,282.00	\$ 45,025.00	9.51%	10.00%	Cost Share			\$ 220.50	219710	
425494	\$ 17,132	\$ 17,132	\$ 17,132	\$ 4,283.00	\$ 45,025.00	9.51%	10.00%	Cost Share			\$ 219.50	219710	
425630	\$ 17,132	\$ 17,132	\$ 17,132	\$ 4,283.00	\$ 45,025.00	9.51%	15.00%	Cost Share			\$ 2,470.75	219710	
425850	\$ 18,010	\$ 18,010	\$ 18,010	\$ 4,502.50	\$ 45,025.00	10.00%	10.00%						
	\$ -	\$ -	\$ -	\$ -	\$ 45,025.00	0.00%							
<b>Total salary for the quarter</b>				\$ 61,212.00	<b>OVER THE CAP</b>								

# Sample 5: Classified Post Recon Form or Planning Document

<b>Name</b>	Susie Doe	Columns to be completed by department												
<b>Org</b>	2680001													
<b>Emp #</b>	33333													
<b>Dept Name</b>	Anesth													
<b>Correcting FBDS #:</b>	06-12345													
Is the annualized salary > \$180,100 (\$13,853.85 per monthly certification period)														
<b>Cost Transfers done AND SALARY CAP CALCULATION</b>														
<b>Time and Effort Pay period</b>														
Effort Report Period	Grant FRS	# days in pay period on source	# days paid / 20	Annual FBDS pay on grant source	FBDS Pay / 13 (# effort periods)* # days	Certification period salary	% salary adjusted	% effort report	Cost Transfer or Cost Share	Variance-cost transfer amount needed	Max salary allowed based on effort reported	Variance - cost sharing amount	Cost sharing account	
8/27/05 to 9/23/05	218360	20.00	1.00	\$ 8,868.00	682.15	3,345.69	20.39%	0.00%						
	415994	20.00	1.00	\$ 13,048.00	1,003.69	3,345.69	30.00%	30.00%						
	425770	20.00	1.00	\$ 4,350.00	334.62	3,345.69	10.00%	10.00%						
	490750	20.00	1.00	\$ 17,228.00	1,325.23	3,345.69	39.61%	60.00%	Cost Share			682.1867	218360	
			0.00	0.00	\$ -	0.00	3,345.69	0.00%						
			0.00	0.00	\$ -	0.00	3,345.69	0.00%						
					3,345.69									
9/24/05 to 10/21/05	218360	20.00	1.00	\$ 2,967.00	228.23	3,345.62	6.82%	0.00%						
	415994	20.00	1.00	\$ 13,048.00	1,003.69	3,345.62	30.00%	30.00%						
	425770	20.00	1.00	\$ 1,390.00	106.92	3,345.62	3.20%	9.89%	Cost Share			223.8217	218360	
	490750	20.00	1.00	\$ 26,088.00	2,006.77	3,345.62	59.98%	60.11%	Cost Share			4.3493	218360	
			0.00	0.00	\$ -	0.00	3,345.62	0.00%						
			0.00	0.00	\$ -	0.00	3,345.62	0.00%						
					3,345.62									
10/22/05 to 11/18/05	218360	20.00	1.00	\$ 2,299.00	176.85	3,345.69	5.29%	0.00%						
	415994	20.00	1.00	\$ 13,048.00	1,003.69	3,345.69	30.00%	30.00%						
	425770	20.00	1.00	\$ 2,047.00	157.46	3,345.69	4.71%	9.89%	Cost Share			173.3069	218360	
	490750	20.00	1.00	\$ 26,100.00	2,007.69	3,345.69	60.01%	60.11%	Cost Share			3.3457	218360	
			0.00	0.00	\$ -	0.00	3,345.69	0.00%						
			0.00	0.00	\$ -	0.00	3,345.69	0.00%						
					3,345.69									

# You're Not Through Until.....

- Departments and payroll have made necessary salary distribution changes
- Follow the process to the end!
- Verify that the salary distribution changes have occurred in the payroll system and in the general ledger. Reimbursement from the federal government is typically driven by general ledger.
- Ensure changes flow to your book of record

# Summary

- Effort is entered in the form of percentages
- Total effort must add up to 100%
- Effort reporting is not based upon a forty-hour work week
- Include all work spent on institution-related activities
- Provide a reasonable estimate of work spent on each project
- Always report your actual effort
- **Report accurately** – Be aware of the effort percentage commitment that has been awarded for you/your position on each sponsored project
- **Report timely** – Completion of delinquent effort reports is difficult and crossing fiscal years is very problematic.