Time Effort Reporting

Office of Grants and Contracts
Financial Services

Introduction:

- What is effort reporting?
- Why is it important?
- Who is responsible?
- Effort reporting at MSU
- Questions

What is Effort Reporting?

- Effort is the proportion of time spent on any activity and expressed as a percentage of the total professional activity.
- The effort report documents the proportion of work time devoted to sponsored projects, teaching, clinical practice, and other activities expressed as a percentage of total employed time (not total hours).
- Based on actual activities, but can be reasonably estimated.
- Reported retrospectively or "after the fact"
What is Effort Reporting?

- Attended every semester (faculty and staff) and monthly (graduate assistants)
- Reflects percentage of total MSU time (100%), regardless of number of hours
- Includes all effort expended to meet commitments as a MSU faculty member (hours may vary from person to person)
- Every person who works on a sponsored project is required to fill out a Time Effort Report, even if they are not paid directly from the grant.
  ✓ The exception is hourly workers. Their time is noted on their payroll effort.

What is the importance of effort reporting?

- Required by Federal regulations: OMB Circular A-21 and OMB Circular A-133
- Documents that effort commitments have been met for a given sponsored project
- Provides support for salary charges to grants & contracts
- Labor is the largest share of direct costs to grants
- Federal Environment is highly regulated
- Limitless exposure
  ✓ Legal, financial, political (loss of public trust)

What is the importance of effort reporting?

- If effort is overestimated the federal government pays more than it should
  ✓ False Claims Act liability
  ✓ Broad and specifically includes payments under grants:
    "Liability may attach to any person who-(1) knowingly presents, or causes to be presented, to an officer or employee of the US Government…a false or fraudulent claim for payment or approval; or (2) knowingly makes, uses, or causes to be made or used, a false record or statement to get a false or fraudulent claim paid or approved by the Government…"

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What is the importance of effort reporting?

- Fines
  - Northwestern University ($5.5 million, plus costs, attorneys’ fees and disbursements)
  - Harvard University ($2.3 Million)
  - Johns Hopkins University ($2.5 Million)
  - University of Chicago (paid a combined $180K to settle charges)
    - University paid $150K
    - PI accused of impropriety paid $30K
- Loss of funding, interruption of research effort, damaging publicity

Who is responsible for the forms?

- Principal Investigator
- Principal Investigators and the University are ultimately responsible for ensuring that all charges to an award are appropriate, including salary charges
- Employee
- The effort report should be certified by the individual whose effort is being recorded and by a responsible person with access to verifiable information on how the individual's effort was expended.
- Do not ask the grants and contracts accountants to fill out the form; we do not know how much time you spent on the grant.

Filling out the form

- Appointment Period
  - 9 month or 12 month
- Reporting Period
  - (Semester/Year) - Faculty and Staff
    - (Months/Year) - Graduate Assistants
- Use the grant account number even if employee was not paid from the grant.
- Grantees accountants will determine whether matching/least share is involved
Activities Included in Effort Reports

- **Sponsored Activity**: Includes effort devoted to grants, contracts, and cooperative agreements sponsored by non-university entities.
- **Institutional/Administrative**: Includes effort devoted to departmental business activities, curriculum development, proposal and bid preparation, serving on committees, supervising administrative staff, and departmental research.
- **Instructional**: Includes effort devoted to teaching activities where the employee is the instructor. Includes classroom and course preparation, grading exams, and academic advising of students.
- **Time spent in the preparation of proposals cannot be charged to the grant.**

Percentages

- **Total 100%**
- **Based on Effort**
- **Reasonable**
- **Complete**

Reporting Periods for Time Effort

- For faculty and staff certification of sponsored projects effort occurs 3 times a year:
  - Spring Semester (January – May)
  - Summer Semester (June – August)
  - Fall Semester (Sept – Dec)
- Graduate Assistants certify effort monthly.
When are the reports due?

- Fall – January 15th
- Spring – June 15th
- Summer – September 15th

Once completed, the forms are sent to Carrington 424 (Office of Grants and Contracts)

Summary

- Effort reporting plays an important part in Federal grant administration
- As MSU increases its research base, the probability of audits will increase
- Principal investigators have the ultimate responsibility for time effort reporting on their grants