

Effort Reporting for WU Staff

Fiscal 2006

If you experience technical difficulties with this training session, please contact Jacqueline Judie at 747-6273

Institutional Risk

- National attention focused on Effort Reporting
 - Large University financial settlements
 - DHHS Office of Inspector General Work plan
- Local attention
 - Internal audit reports

Why is effort reporting a big deal?

- Grantees agree to comply with Federal Principles, OMB Circulars A-21 & A-110.
- A-21 requires payroll costs to be documented to ensure that external sponsors reimburse the grantee only for the time and effort actually expended on their behalf.
- Salary costs are the majority of costs incurred on a grant.



**NORTHWESTERN
UNIVERSITY**

**JOHNS HOPKINS
UNIVERSITY**

February 2003

- \$5.5 million settlement
- Qui Tam / Whistleblower
- Insufficient PI effort on NIH K Awards

February 2004

- \$2.6 million settlement
- Qui Tam / Whistleblower
- Effort reporting issues

June 2004

- \$2.4 million settlement
- Self-disclosed to NIH
- Ineligible trainees appointed to NIH training grant
- Additional issues uncovered with PI.

April 2005

- \$3.9 million settlement
- Qui Tam/Whistleblower
- Billed Medicaid services paid by NIH grants.
- Overstate percentage of work effort that researchers were able to devote in grant applications.

Effort Reporting at WU

- Documentation
 - Personnel Activity Report (PAR)
 - PAR system (generate and track)
 - Financial Compliance reviews
- Education program
 - Faculty meetings
 - Town Hall meetings and on-line course



What is effort reporting?

- An individual certifies that salaries charged to sponsored projects are **reasonable** in relation to the work performed during the report period.
- Actual salary dollars are presented as percentage figures (of total salary) on a Personnel Activity Report (PAR).



Staff Effort: Exempt Type

- Total activity for which a staff member is compensated by WU via a **salary**.
 - Regardless of the number of hours actually worked (100% Institutional Effort).
 - Effort varies from individual to individual
 - Includes all WU activity
 - Not just Monday through Friday
 - Not just X days a week



Staff Effort: Non -Exempt Type

- Total activity for which a staff member compensated by WU via a **wage(s)**.
 - Based upon actual hours worked/paid
 - Includes regular hours and overtime hours



Institutional Salary / Wages

- Annual compensation paid to the staff member by WU, whether that individual's time is spent on:
 - Organized Research
 - Department Research
 - Department Administration
 - Patient Care (Clinical Care/Trials)



Key Definitions

The following slides provide key definitions of effort reporting categories that should be used in allocating effort.



Organized Research

- Research and development activities sponsored by federal agencies, non-federal /private organizations and industry.



Department Research

- General research support, including start-up funding and bridge funding that is not project oriented.
- Typically, department research support is paid from a pool and is not identified by project.



Department Administration

- Administrative and supporting services which benefit **two or more** departmental activities or objectives.
- Activity cannot be directly identified with an organized research project, instruction, patient care, hospital administration...

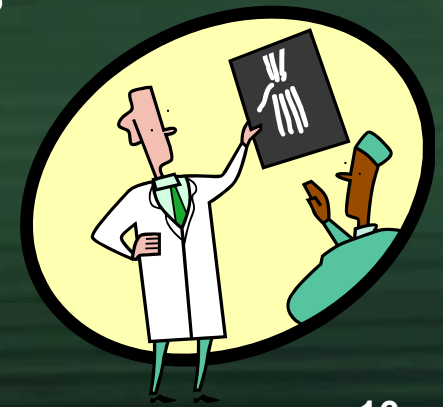
Dept. Administration, cont.

- Preparation of competitive grant proposals.
- Participation in school/department committees
- Review of department accounts and financial statements.

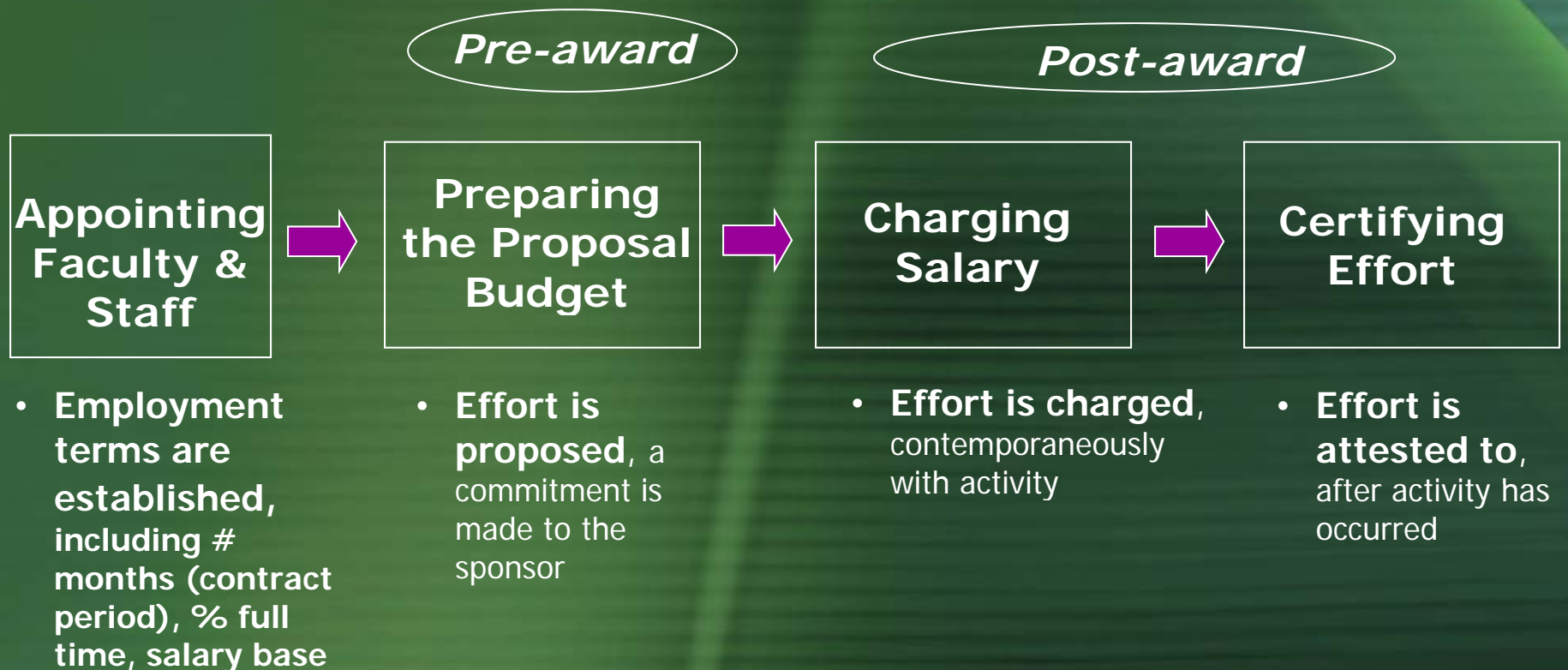


Patient Care

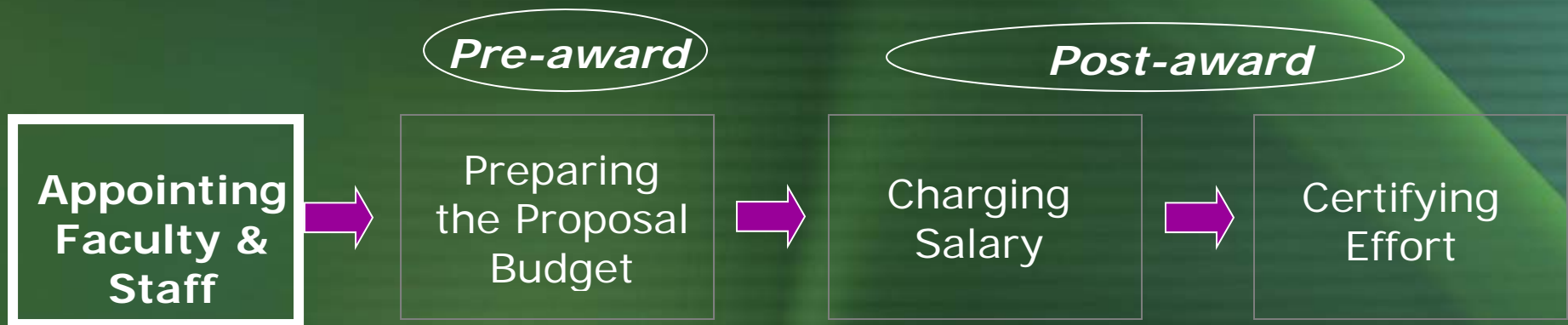
- **Clinical services** - rendered to individual patients that are normally eligible to be billed to patients or third party payers.
- **Clinical trial activities** - testing of drugs and medical devices using human subjects (industry-sponsored).



Effort Reporting Cycle

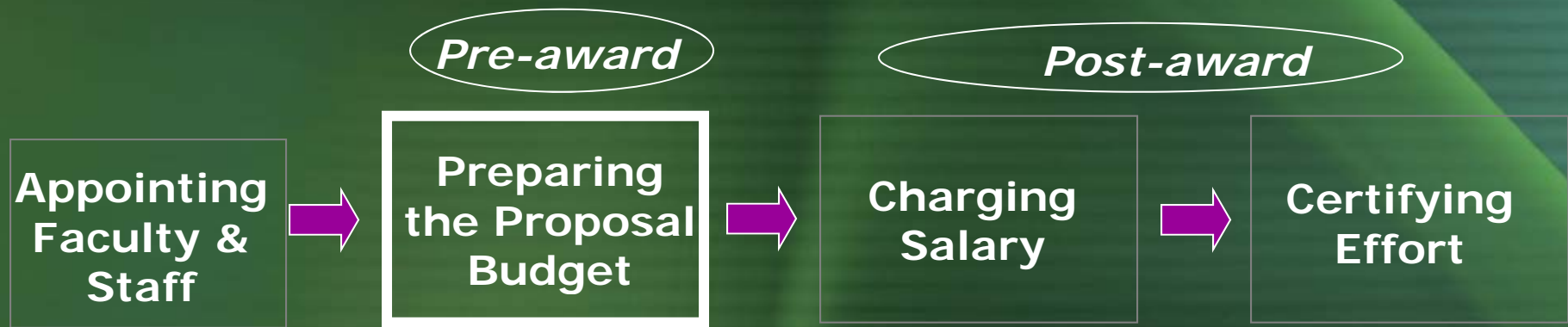


Appointments



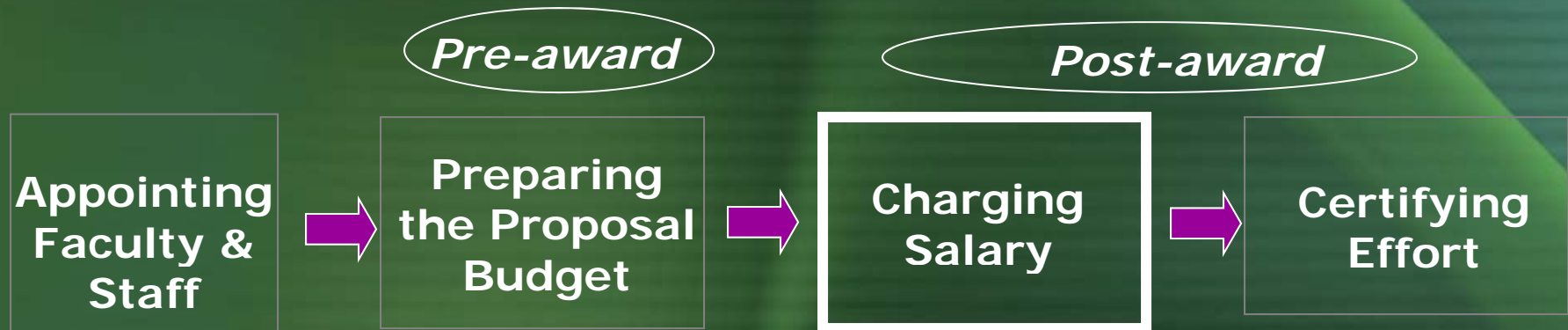
- **Staff appointment, as documented in the payroll (HRMS) system, denotes the individual's FTE and salary.**

Proposing Effort



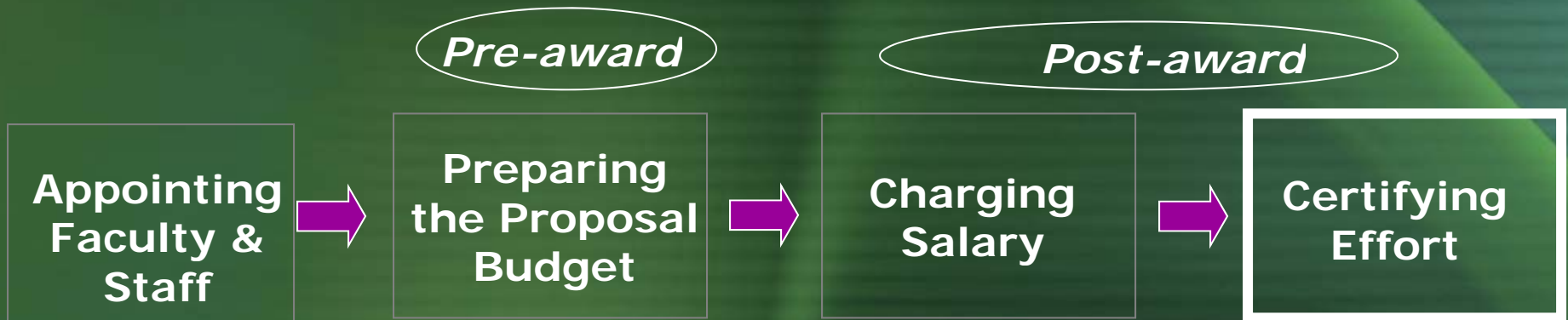
- PI has proposed a level of effort for **each** staff member on the project.
- Proposed effort is a ***commitment*** to the sponsor that must be honored and tracked if awarded.
- Sum of effort for all WU activities, including awarded sponsored projects, must equal 100%.

Charging Effort

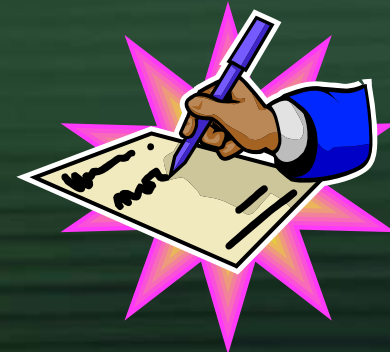


- Salary charges should be posted to appropriate accounts *as actual activity occurs*
- Salary charges must be *commensurate with actual effort expended*
- Salary charged *cannot be > actual work*

Certifying Effort



- Certification of activity should reflect **actual effort**, which should be based on effort **commitments**.



PAR Example

<http://www.spa.wustl.edu/training/pdf/PARexampleandegend.pdf>

```
***** PERSONNEL ACTIVITY REPORT FILE CODE: N 03 3164
003 - 1
* PLEASE RETURN THIS DOCUMENT TO THE *
* DEPT BUSINESS OFFICE BY: 05/24/05 *
***** NAME: SMITH JANE A.
SSN: 123-45-6789 044444
```

```
REPORTING PERIOD.....: JAN-MAR 2005 QUARTERLY
PERSONAL ACTIVITY PERIOD: 01/05 - 03/05
```

ACTIVITY	AGENCY NUMBER	PROJ	% OF	EFFORT	ACCOUNT NUMBER
PRINCIPAL INVESTIGATOR		BRKDN	EFFORT	BY	
PURPOSE/TITLE			CATGRY		

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DEPARTMENTAL RESEARCH					
DR SMITH LAB STARTUP			75	75	12 3164 12 14 931##C
ORGANIZED RESEARCH					
SMITH, P.I.	5R01HL1234505		25		22 3164 12 20 521##
A REALLY BIG GRANT FROM THE NIH				<u>25</u>	
				100	

Changes to PAR's

- If the actual effort performed on a sponsored project differs from the percentage noted on the PAR by:
 - *0 to 5%*, no adjustment to the figure is necessary.
 - *6% or more*, the PAR should be adjusted manually to reflect the correct effort percentage.

PAR Support



- Each department/division has a designated **PAR Coordinator**.
- **Sponsored Projects Accounting (SPA)** coordinates the timing, distribution and collection of effort reports. SPA provides institutional oversight for effort reports and maintains and monitors all aspects of the effort reporting system.

– **Contacts:** Iris Peper (5-7939) & Liz Colletta (5-5757)

Roles and Responsibilities

<http://roles.wustl.edu/>



- **Faculty/Staff:** Review, adjust (as necessary) and legally certify by signature the accuracy of their PAR.
- **Department Administrator:** Assists faculty and staff in reviewing, adjusting and certifying (if the employee is not available) their PAR.

Who Can Sign/Certify A PAR?

- Strongly recommend that each individual faculty or staff member sign/certify their own PAR.
- A supervisor or administrator may sign/certify the PAR in the absence of the employee.
 - He/she has *first hand knowledge* of the total compensated effort (100%) for that individual.
 - Must document on the PAR why the individual is not able to sign.

Reporting Periods

- Non-Academic (staff), report quarterly
 - January through March
 - April through June
 - July through September
 - October through December



Reportable Pay

- **Non-Academic (staff):** Salaries paid on a sponsored project, fund ranges 38### through 65999.
- Includes regular distribution, off-cycle checks and PCTs.
- **Excludes stipends** (e.g., trainees)



Personal Activity Period

- **Non-Academic (staff)** - only months that contain Reportable Pay.
- Reporting Period may not match Personal Activity Period.
 - New / terminated employee
 - Start / stop of reportable pay

```
***** PERSONNEL ACTIVITY REPORT
FILE CODE: N 03 3164 003 - 1
* PLEASE RETURN THIS DOCUMENT TO THE *
* DEPT BUSINESS OFFICE BY: 05/24/05 * NAME: SMITH BILL
***** SSN: 123-45-6789

REPORTING PERIOD.....: JAN-MAR 2005 QUARTERLY
PERSONAL ACTIVITY PERIOD: 01/05 - 02/05
```

PAR Timeline

- Per the agreement with our federal cognizant agency (DHHS):
 - The PAR report must be **signed** by the faculty/staff member or the appropriate designee **within 30 days** of issuance.
 - The PAR report must be **returned** and received by SPA **within 60 days** of issuance.

Effort Reporting Links

- Effort Reporting at WU
 - <http://researched.wustl.edu/Effort%20Reporting/Main.htm>
- Personnel Activity Reports – Procedures
 - <http://www.spa.wustl.edu/pars.htm>
- PARs – Top Ten List
 - http://www.spa.wustl.edu/topten/pars_top10_8-18-03.pdf

Report a Concern or Violation

- Institutional Officials for Research and Financial Compliance
 - **Ted Cicero** – Vice Chancellor for Research
 - 314-362-7010
 - **Barb Feiner** – Vice Chancellor for Finance
 - 314-935-9018
- University's Compliance Hotline
 - (314) 362-4998
 - Reports can be made anonymously
 - No caller ID or number recognition

Real World Effort Example - WUSM -



The Dilemma



- Full-time nurse for Dr. Bill Smith (PI).
- Study Coordinator
- Assists PI with proposal preparation

Jane Doe

Jane Doe – WUSM Effort

- NIH R01 Grant A – Year 02 ends 12/31/06
- NIH R03 Grant B – Year 04 ends 4/30/06
- Merck Clinical Trial – Ends 01/01/07
- Assist Dr. Smith with his 2/1/06 NIH grant submission



Payroll Distributions

- Payroll distribution may fluctuate, but figures are averaged over the PAR period.

<u>Activity</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Average</u>
NIH Grant A	20%	40%	25%	28%
NIH Grant B	20%	40%	70%	43%
Merck Trial	10%	20%	5%	12%
<u>NIH Proposal</u>	<u>50%</u>	<u>0%</u>	<u>0%</u>	<u>17%</u>
Total	100%	100%	100%	100%

Jane Doe's – PAR 3/06

```

***** PERSONNEL ACTIVITY REPORT FILE CODE: N 03 3164
003 - 1
* PLEASE RETURN THIS DOCUMENT TO THE *
* DEPT BUSINESS OFFICE BY: 05/24/06 *
*****
NAME: DOE JANE A.
SSN: 123-45-6789 044444

REPORTING PERIOD.....: JAN-MAR 2006 QUARTERLY
PERSONAL ACTIVITY PERIOD: 01/06- 03/06
    
```

ACTIVITY	AGENCY NUMBER	PROJ BRKDN	% OF EFFORT	EFFORT BY CATGRY	ACCOUNT NUMBER

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PATIENT CARE					
MERCK TRIAL - SMITH			12	12	12 3164 12 15 9457##
ORGANIZED RESEARCH					
SMITH, P.I.	5R01HL1234502		28		22 3164 12 20 521##
NIH GRANT A					
SMITH, P.I.	5R03LL222204		43		22 3164 12 20 533##
NIH GRANT B				71	
DEPT. ADMINISTRATION					
DEPARTMENT ADMINISTRATION			17		12 3164 12 40 920##
				<u>17</u>	
				100	

Contacts

- Joseph M. Gindhart – Director,
Sponsored Projects Accounting
 - jgindhart@wustl.edu
 - 314-935-7089
- Denise A. McCartney, Associate Vice
Chancellor for Research Administration
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 - 314-747-6274