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.
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

**Pre-award**

- Appointing Faculty & Staff
  - Employment terms are established, including # months (contract period), % full time, salary base

- Preparing the Proposal Budget
  - Effort is proposed, a commitment is made to the sponsor

**Post-award**

- Charging Salary
  - Effort is charged, contemporaneously with activity

- Certifying Effort
  - Effort is attested to, after activity has occurred
Appointments

**Pre-award**

- Appointing Faculty & Staff
- Preparing the Proposal Budget

**Post-award**

- Charging Salary
- Certifying Effort

- 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

**Pre-award**

- Appointing Faculty & Staff
- Preparing the Proposal Budget

**Post-award**

- Charging Salary
- Certifying 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.
**PERSONNEL ACTIVITY REPORT**

**FILE CODE: N 03 3164**

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**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  
**PERSONAL ACTIVITY PERIOD:** 01/05 - 03/05  
**QUARTERLY**

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**http://www.spa.wustl.edu/training/pdf/PARexampleandlegend.pdf**
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

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**FILE CODE:** N 03 3164 003 - 1

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**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
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 RO1 Grant A - Year 02 ends 12/31/06
- NIH RO3 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.

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**NAME:** DOE JANE A.

**SSN:** 123-45-6789

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**REPORTING PERIOD:** JAN-MAR 2006

**PERSONAL ACTIVITY PERIOD:** 01/06-03/06

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**EIGHTY PERCENT OF EFFORT**

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**TOTAL EFFORT:** 100
Contacts

• Joseph M. Gindhart – Director, Sponsored Projects Accounting
  – jgindhart@wustl.edu
  – 314-935-7089

• Denise A. McCartney, Associate Vice Chancellor for Research Administration
  – mccartnd@wustl.edu
  – 314-747-6274