1.0 INTRODUCTION

Circular A-21, issued by the federal Office of Management and Budget, outlines the requirements for the reporting and certification of faculty and staff effort associated with federally sponsored research projects and other activities. According to this Circular, effort directly related to organized research as well as all other University activities must be identified in the University’s effort distribution/reporting process.

Saint Louis University uses a “plan-confirmation” method to meet the A-21 requirements for effort reporting. Under the plan-confirmation method, salaries and wages are distributed to activities based on estimates of the individual’s planned efforts. Any significant change in actual effort from planned effort (6% or more) necessitates an adjustment. The University requires employees to certify their actual efforts on a semi-annual basis. This certification is accomplished through the completion of an Effort Reporting Form in the Ers System.

Circular A-21 standards for a plan-confirmation system include the following:

- The system will reasonably reflect only the work activity for which the employee is compensated by the institution.
- The effort-reporting process should not include incidental activities for which the faculty member receives no additional compensation. For example, a faculty member who voluntarily edits a technical journal for no fee should not include this activity when preparing the effort report.
- An individual’s workload will reflect categories of activities expressed as a percentage distribution,
- the sum of which will reflect 100% of total effort compensated by the University.
• The system will reflect activity applicable to each sponsored agreement, as well as departmental administration and all other University activities.
• The system will provide for modification of an individual’s salary or salary distribution, commensurate with any significant changes in the employee’s work activity. Short-term fluctuations between workload categories need not be considered as long as the distribution of salaries and wages is reasonable over the longer term, such as the academic period.
• The system will provide for independent internal evaluation to ensure the system’s integrity and compliance with standards.
• A statement will be signed by the principal investigator, or responsible official(s), using suitable means of verification that the work was performed, stating that salaries and wages charged to sponsored agreements as direct charges, and to residual, F&A cost, or other categories, are reasonable in relation to work performed.

Effort Reporting
Effort reporting is the process by which the University determines and documents the effort expended on sponsored projects during each effort reporting period. The effort report form documents the proportion of time devoted to sponsored projects, teaching, clinical practice, and other activities, expressed as a percentage of Total professional Effort. The denominator of the effort percentage must always be Institutional base Salary, irrespective of the total number of hours worked during the effort reporting period or FTE. For example, if a faculty member works an average of 50 hours per week during an effort reporting period and works an average of 10 hours per week on a particular sponsored project, the correct effort percentage for that project would be 20%.

Payroll or Salary Distribution
Payroll or salary distribution is the process of assigning salary charges to sponsored projects and other University activities. Payroll allocations and effort allocations are not the same thing. If a payroll allocation to a sponsored project during an effort reporting period exceeds the percentage of effort expended on the project during the period, the payroll allocation must be reduced to the level of the effort actually expended, based on the effort report.

Effort Certification
Effort certification is the affirmation by the individual completing each effort report form that the percentages of effort reported on the form are accurate. Knowingly signing an inaccurate effort certification is a serious violation of University policy, as well as potentially a violation of civil and criminal fraud statutes.

2.0 PURPOSE

This policy is designed to ensure Saint Louis University’s compliance with federal regulations.
and applies to all salaried University employees who devote all or a portion of their work efforts to externally sponsored programs.

### 3.0 DEFINITIONS

#### 3.1 Contract Salary:  
The total salary specified within the faculty contract. This includes the regular academic-year salary plus any contractually stated supplements for additional responsibilities (e.g., an administrative assignment). Also referred to as Institutional Base Salary.

#### 3.2 Consulting:  
Work performed for external organizations that is neither specified in the University’s contract with faculty members nor paid through the University. See the *Faculty Manual*, Sec. III.G.6.

#### 3.3 Effort:  
Effort is the time spent on any activity by an individual, expressed as a percentage of the individual’s Total Professional Effort.

#### 3.4 Effort reporting:  
a process mandated by the federal government to ensure that labor charged to federally sponsored agreements is reasonable and reflects actual work performed. Effort reporting is also required for the appropriate calculation of the University’s negotiated Facilities and Administrative (F&A) rates with the federal government.

#### 3.5 Incentive Pay:  
Incentive pay is bonuses paid based on specific performance as outlined in an employment agreement. An employee’s Institutional Base Salary is not affected by incentive pay, and incentive pay is not paid from grant funds unless specifically allowed in the grant agreement. Incentive pay is not included in the calculation of effort and excluded from an employee’s effort report.

#### 3.6 Institutional Base Salary:  
Institutional Base Salary is the total compensation paid to an employee for all professional activities they provide to the University within their appointment(s). These activities include instruction, research, clinical, and administrative. This does not include Overload, incentive pay or bonuses.

#### 3.7 Intra-University Consulting:  
Consulting by a faculty member that is beyond the scope of his/her regular departmental duties and is performed across departmental lines or involving a separate or remote University operation. This is normally considered part of University resources and falls in the faculty members Total Professional Effort and is not eligible for supplemental pay.

#### 3.8 Overload:  
Additional services that are considered substantially outside of, or a substantial increase to the faculty member’s regular duties. Overload is within the scope of the faculty member’s regular duties (for example, instruction), performed during the faculty member’s normal contract period, is planned, and is compensated based on the University’s Additive Pay Policy.
3.9 **Summer Salary:** Salary paid during the summer months for work done outside of the normal contract period. Faculty with 12 month appointments would not be eligible for summer salary since they work all 12 months. Faculty with 12/9ths appointments would be eligible since they would have effort available.

3.10 **Total Professional Effort:** Total Professional Effort is based on an employee’s total activity within her or his University appointment and includes all research, teaching, clinical service, and administrative duties the employee performs. Effort is not based on a 40-hour workweek, nor is it based on full time equivalent (FTE). Effort always equals 100%. Part-time personnel should report 100% effort on the Effort Verification Report (“EVR”) regardless of what FTE the appointment represents. Personnel who work more than 40 hours per week should report 100% effort on the EVR regardless of how many hours they work.

3.11 **Research Grants and/or Agreements:** Research and development activities sponsored by either federal or non-federal agencies and organizations. Research agreements include research training (i.e., activities involving the training of individuals in research techniques).

3.12 **Mandatory or Voluntary Committed Cost Share:** University cost-sharing commitments to sponsored programs. Such commitments must be approved by the Associate Provost for Research.

3.13 **NIH Salary Cap:** The portion of a researcher’s salary that exceeds the NIH- mandated salary cap. This percentage represents effort devoted to the sponsored account, but is paid from other sources, usually the University.

3.14 **Instruction:** Teaching and training activities that are sponsored by federal or non-federal sponsors. Sponsored Instruction includes agreements that support curriculum development as well as other teaching/training activities. This includes activities that do not result in college credit such as continuing education and adult education.

3.15 **Other Sponsored Activities:** Programs and projects financed by federal or non-federal agencies and organizations that involve the performance of work other than Instruction and Organized Research. Examples include community service programs, conferences and symposia, travel, and health service projects.

4.0 **POLICY AND SCOPE**

4.01 **Proposing Effort and Requesting Salary Support**

Levels of effort proposed in any sponsored project application should be consistent with the actual
effort that each individual is expected to expend on the project during the relevant project period(s). The amount of salary support requested should normally be determined by multiplying the proposed level of effort by the individual’s Institutional Base Salary. Sponsor supported salary for proposed effort is normally requested in the budget and/or budget justification of the proposal, unless the type of submission/award would preclude such a request.

4.02 Proper and Timely Submission of Electronic Personnel Action Forms (E-PAF)

Committed effort should be entered into the Banner system via the E-PAF process prior to the start date of the sponsored award. The anticipated effort must be entered consistent with percent of salary distribution for the appropriate salary charges to be recorded against the award line. All funding lines (including non-grant) should equal 100%. A New EPAF must be implemented when new awards are received or old awards expire. Failure to submit E-PAFs timely could lead to salary charges being deemed unallowable.

4.02 Salary Caps

Some sponsors, most notably NIH, impose limitations on the amount of IBS that may be used as a basis for charging salary to their projects. Where such limitations apply, the requested salary support is determined by multiplying the proposed level of effort by the maximum IBS allowed (e.g., the NIH salary cap)

4.03 Proposing Graduate Student Stipends and Tuition Remission

If a proposal requests support for a graduate student in the form of a stipend the proportionate amount of tuition remission should also be requested from the sponsor. Depending on the percentage of the total stipend charged to a sponsored award, that same percentage is applied to 50% of the amount of tuition (the University supports the remaining 50% which is considered a form of cost sharing) and included in the budget to the sponsor. For example, a PI budgets for a FTE graduate student at a stipend of $17,000 per year. The tuition remission in the budget would be at a rate of 50% of $34,500 (total cost of the tuition for the year) or $17,250.

4.04 Establishment of Salaries on Sponsored Programs Accounts

Salary distribution consistent with the projected effort should begin on sponsored projects accounts concurrently with actual project effort. It is each faculty member’s responsibility to be aware of his/her level of effort and to communicate any significant changes in level of effort to his/her respective business office to ensure that salary distributions are reviewed and updated, if appropriate, on a timely basis.

4.05 Completion and Certification of Effort Reports

On a regular basis (every six months) an effort report form will be generated from the University’s effort reporting system for faculty, managerial and professional, clerical and technical staff, and post-doctoral associates whose compensation was charged in whole or in part to a sponsored project during the respective effort period. These effort report forms must be completed, certified, and submitted in accordance with this policy.
The effort report forms will contain data indicating the percentages of the individual’s University salary that were allocated to sponsored project accounts and other University activities. These salary allocation percentages are not effort percentages; they are provided solely for informational purposes.

However, in certain situations such as individuals not receiving salary from SLU, or who receive salary from a sabbatical or leave of absence account, and devoting committed effort to a sponsored project, may not receive an effort report generated from the University’s effort reporting system to support the effort devoted to the sponsored project. In such cases, the completion of a paper effort report form in accordance with the University’s policies is required.

When completing an effort report, certifiers are expected to review the payroll distribution percentages on the effort report form, and determine whether those percentages reasonably correspond to the percentages of the individual’s actual effort on each project or activity recognizing that within an academic setting, teaching, research, service, and administration are often inextricably intermingled. If salary percentages reflect the actual effort, the person completing the form should certify the effort report form in accordance with University procedures.

4.05 Minimum Proposed Effort
Faculty and other key personnel are expected to meet minimum mandatory effort requirements on sponsored projects. Acceptance of an award with specified minimum mandatory effort requirements such as certain program project awards, and center or career development awards carries with it responsibility for meeting those requirements.

Faculty are expected to propose some level of activity (1% or more) or the minimum required by the program on proposals on which they are listed as Principal Investigator or key personnel unless specifically exempted by the sponsor. (Examples of exceptions to the minimum 1% effort requirement would possibly include doctoral dissertations, equipment and instrumentation grants, travel grants and conference awards.) If an award is accepted, the faculty member and key personnel are committed to providing this level of effort over the annual budget period of the award unless sponsor policies permit otherwise.

4.06 Maximum Allowed Sponsored Project Effort
Most faculty members are engaged in teaching, administrative and other duties in addition to their work on sponsored projects. Many activities have been deemed administrative in nature by Federal Regulators, and thereby not chargeable to sponsored awards. These activities include:

- Writing proposals
- Participating in departmental functions
- Participating in University Functions
- Participating on committees
This is not an exhaustive list, but an example of activities that the related effort would not be appropriate to be considered contributed to sponsored awards.

Accordingly, unless the circumstances of a particular faculty member demonstrably warrant otherwise, 100% effort and salary of a faculty member should normally not be assigned to sponsored projects in a given effort period.

The University has implemented a review process for any effort report that exceeds 90% of effort charged to sponsored activity.

4.07 Certifying all Effort
The completed effort report must reflect all activities for which compensation is paid by Saint Louis University. The total work effort expended cannot be more or less than 100%.

4.08 Who can Certify Effort Reports?
Faculty members and staff are required to certify their own effort reports. If not available someone with “Suitable means of verification” may certify the EVR in place of the subject. A PI may certify the effort reports of the research staff working on his or her sponsored projects.

A Laboratory or Project Manager/Director, using a suitable means of verification that the work was performed, may certify effort reports for research staff. A suitable means of verification is defined as having direct knowledge of the work performed. This would be documented by determining work assignments and determining the awards to which the work assigned applies. Any covered individual may certify his/her own effort report. In doing so, the individual is expected to fully understand his/her funding and level of effort committed to each sponsored project.

Generally, a department administrator/business manager will not have suitable means of verification and after-the-fact knowledge of an employee’s Total Professional Effort and should not certify the effort of research staff.

Faculty and other employees are responsible for completing effort certifications within 30 calendar days from the time that effort report forms are available for certification.

In the event of extraordinary circumstances where a faculty or staff member is unavailable to certify his/her effort report, the Director of Sponsored Programs Administration or his/her designee should be notified and will determine the appropriate steps to take to achieve meaningful certification.
4.09 Summer Effort/Salary for Faculty with 9-Month Academic Appointments

Faculty compensated for 9-month academic appointments are permitted to expend up to an additional 3.0 months of summer effort on one or more sponsored projects in the period beyond the academic year (i.e., during the summer research period) and earn additional salary for that effort, subject to sponsor policies and the approval of the department chair and dean/provost.

If a faculty member has administrative or other non-research responsibilities during the summer period, they may be precluded from devoting 100% effort to sponsored projects and thus from requesting 3.5 months of salary from those sponsored projects.

The provisions of this policy relating to the reporting and certification of effort apply fully to the reporting and certification of summer effort. Specifically, charging summer salary to one or more sponsored projects implies that at least a commensurate amount of effort has been expended on those projects during the summer effort period. Faculty who receive summer salary from sponsored projects must certify to the effort expended on those projects during the summer effort period. Effort expended during the academic year cannot be counted for this purpose.

Summer effort of faculty with a nine-month appointment must be supported by the equivalent salary charged to the sponsored award to which the effort was devoted.

4.10 Salary Reallocations & Recertification

Salary reallocations made as a result of the effort certification process must be made in accordance with the University Cost Transfer Policy.

Once certification of effort has been completed, only in certain circumstances will subsequent salary adjustments be permitted. If it is necessary to adjust the salary charges for a previously certified effort period, documentation must provide a detailed explanation of the need for the salary adjustment and subsequent recertification. This documentation must be approved by the Principal Investigator and be submitted to the Director – Sponsored Programs Administration for approval. A salary credit, which benefits the sponsor, will always be approved.

5.0 PROCEDURES

5.1 Development of Grant Proposal Budgets

The proposal budget should include the entire cost of the project the amount requested from the sponsor as well as any project funding to be provided from other sources, including the University. A commitment to use University resources to pay any portion of the project cost must be identified as “cost sharing” on the University’s Transmittal Form for Externally Sponsored Proposals. It is important to understand that cost sharing has a negative impact on the calculation of the University’s Facilities and Administrative Cost recovery rates. A commitment of University resources for cost sharing on sponsored projects must:

1. have the written approval of the Department Chair and Dean,
2. identify the fund and the account from which the University commitment will be funded, and
3. have the final approval of the Associate Provost for Research.

Every attempt to accurately estimate the amount of direct research effort that key personnel are committing to the project should be made in the proposal budget, whether that effort is funded by the sponsor or by SLU.

Since some proposals will not be funded, it is possible for individuals to reach total potential effort commitments of more than 100%, taking into consideration existing workloads and outstanding proposals. However, in preparing proposals, individuals must be aware of all their commitments and be prepared to address over-commitments immediately if a proposal is awarded.

Calculation for funding personnel salary on sponsored research agreements or university research projects must be based on the individual’s annual contractual salary rate during the period of performance, in accordance with the terms of appointment, including any supplements for department chairpersons or other administrative duties. Teaching and research in summer and evening programs are considered additional work carrying separate compensation, are not included in the annual contractual salary rate for purposes of this policy, and will be dealt with separately. All incentive compensation is excluded in calculating annual contractual salary for the purposes of this policy. Summer compensation should be charged to sponsored agreements in accordance with sponsoring agency guidelines. In no case may the amount charged for summer effort exceed 28% of the annual contractual salary.

For example, the University pays Professor Smith $90,000 for his nine month academic appointment and $10,000 to act as department chairperson. Professor Smith is paid over 12 months even though the academic term is nine months. Professor Smith also earns $20,000 for directing a summer research project for two months. In this case, Professor Smith’s annual contractual salary rate is $100,000. If Professor Smith spends 25% effort on a sponsored agreement during the academic year, then the salary charged to the agreement must be $25,000.

The annual contractual salary for Saint Louis University Medical School faculty includes the amount paid in accordance with their twelve-month appointment plus any supplements for department chairpersons or other administrative duties. Any incentive compensation paid under the UMG or other departmental or faculty practice plan is not considered annual contractual salary for the purposes of this policy. For example, Dr. Jones earns $90,000 for her twelve- month academic appointment, and $10,000 to act as department chairperson. She also earns a $10,000 incentive bonus for performance under the UMG practice plan. During the twelve-month academic term, Dr. Jones’ annual contractual salary rate is $100,000, and if Dr. Jones spends 25% effort on a sponsored agreement, the salary charged to the agreement must be $25,000.
5.2 Accounting for Effort

In documenting and certifying effort on University activities, the following guidelines must be followed:

A. An individual’s effort distribution should reflect the percentage of actual time spent on various activities expressed as a **percentage of total effort, not hours**.

B. Effort on any particular project is measured as the percentage of the total obligation to the University. This obligation includes teaching, organized research, departmental research, administration, committee activities, etc.

C. Total effort may not exceed 100% and must only include activities for which the individual receives compensation from the University (including salary charged to sponsored agreements, but excluding incentive pay). An individual’s effort allocation should total to 100% and an individual’s salary allocation among the various activities should total to the individual’s base salary rate. If committed effort is expected to exceed 100%, the individual must IMMEDIATELY notify his/her chairperson, dean, and the Office of Sponsored Programs for a determination regarding the over-commitment’s allowability.

D. The amount of effort identified as organized research should include the portion of time the PI devotes to a project, even if he/she receives no salary support from external funds received in support of the project. In other words, effort identified as cost-sharing by the University on a sponsored agreement must be reported on the University’s Effort Reporting Form.

E. The individual’s Effort Reporting Form (see attached Effort Reporting Form and instructions) must be modified immediately when there is a significant change (i.e., 6% or greater) in the distribution of activities.

F. Such a change is relative to the amount of effort charged to a particular grant. For instance, if 10% of an individual’s salary was charged to a sponsored account, but that individual reports that he/she devoted only 6% of his effort to the project, this would be a 40% change in effort, not 4%, and would require a salary reallocation. Individuals should not wait for the regular effort reporting period to report significant changes in effort. When a significant change occurs, personnel action forms and, if needed, labor reallocation forms must be completed to reflect the changes. Short-term fluctuations (i.e., lasting three months or less) between workload categories need not be considered as long as the distribution of salaries and wages is reasonable over the academic period.

G. When an individual who receives salary from a sponsored program is scheduled to leave the University, an effort report must be completed at the time of separation.
H. Principal Investigators must ensure that all salaried faculty and staff paid from their grants complete effort reporting forms as required by this policy.

I. The Related Department Chair and Dean may be informed when any individual has a late effort report.

J. No one may certify 100% effort on sponsored activity unless documentation exists through the “Effort Report Survey” process that the proposed effort is appropriate.

6.0 SANCTIONS

Failure to follow the provisions of this effort reporting policy may subject the individuals and departments responsible for the violation(s) to administrative and/or disciplinary actions in accordance with University disciplinary procedures and the judgment of management. Specifically, and without limitation,

1. If effort reports are not completed and returned in a timely manner, salary costs associated with uncertified grant activity may be removed and charged to a departmental account.

2. ORDS may suspend submission of any new proposals on behalf of a noncompliant PI, or inclusion of a noncompliant researcher in proposals, until effort reports are up to date and properly completed and certified.

3. Certification of effort reports that are known to be materially inaccurate may expose the individual who completed the reports to personal disciplinary action.

APPROVAL SIGNATURES

This policy was developed by:

The Office of the Vice President for Research

This policy has been approved by:

[Signature]
Raymond C. Tait, Ph.D.
Vice President for Research
Saint Louis University

August 31, 2012
Date
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