



SAINT LOUIS
UNIVERSITY

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EFFORT REPORTING POLICY

Policy Number: RC04
Classification: Research Compliance

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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.

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, excluding any incentive pay. External consulting or other outside professional activities should not be considered when assessing the employee's total effort.
- 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.

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 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.

4.0 POLICY AND SCOPE

III. Effort Reporting Categories

A. Sponsored Programs

1. Organized Research: research and development activities for which separate budgeting and accounting is required. This includes activities funded in the following ways:

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

2. Sponsored 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.

3. 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.

B. Departmental Administration

Includes activities for administrative and support services that benefit common or joint departmental activities or objectives in academic deans' offices, academic departments, or organized research units. Examples of Departmental Administration include:

- Grant proposal preparation
- Preparation and review of Personnel Activity Reports
- Review of departmental accounts and financial statements
- Planning for building projects and renovations
- Selection and training of staff
- Selection and recruitment of faculty

C. All Other SLU Activities

1. Instruction: Teaching and training activities (other than those supported through external funding). This activity includes general academic pursuits as well as teaching.

2. Departmental Research: Research, development, and scholarly activities that are not sponsored through external funding, but for which separate budgets and accounts are required. Examples of departmental research include activities funded through faculty discretionary funds, start-up funds, or Department/School royalty-income funds.

3. UMG Activities: Patient Care and all other non-sponsored UMG activities.

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. In all but a very few circumstances, 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 total 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. For employees and faculty with 9, 10, or 11-month contracts, it is possible that effort on a sponsored program will be expended in a month(s) not included in the contract period. In such cases, principal investigators must work closely with the Offices of Research Services and Sponsored Programs to ensure that effort is appropriately budgeted within the proposal and after an award that effort is correctly charged during the implementation of the project.
- E. 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.
- F. 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.
- G. 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.

- H. 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.
- I. Principal investigators must ensure that all salaried faculty and staff paid from their grants complete effort reporting forms as required by this policy.
- J. The Provost's Office will be informed when any individual has a late effort report.

6.0 SANCTIONS

Failure to comply with the requirements of this policy or applicable standards may result in University disciplinary action pursuant to the applicable policies governing students and faculty or staff employees.

Additionally, violations may result in additional internal or external sanctions such as the loss of privileges to conduct research, use of University facilities and equipment, loss of grant funding, and civil or criminal penalties imposed under federal or state laws.

APPROVAL SIGNATURES

This policy has been approved by:

Joseph Weixlmann, Ph.D.
Provost
Saint Louis University

Date: 01/01/05