

# Effort Reporting

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# OMB Circular A-21

## “Cost Principles for Educational Institutions”

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The principles that govern how colleges and universities must document time and effort on federal grants and contracts appear primarily in OMB Circular A-21. Section J.10.b(2) of Circular A-21 (revised 5/10/04) sets forth six standards for payroll distribution that provide a reasonably clear outline of a compliant time and effort reporting system. Key points are:

- The system of allocation of salaries based on effort must be “incorporated into the official records of the institution.”
- The system must “reasonably reflect the activity for which the employee is compensated by the institution.”
- The system must provide some form of “after-the-fact confirmation or determination” of the reasonableness of the salary allocations to federal grants.
- Employee salary allocations must be confirmed by the employees themselves or by “responsible persons with suitable means of verification that the work was performed.”
- The payroll distribution system “may reflect categories of activities expressed as a percentage distribution of total activities.”
- “Significant changes in the corresponding work activity must be identified and entered into the payroll distribution system.”

# The government has shown growing concern over effort reporting

Errors and inaccuracies in effort reporting are costly and can put our research programs, as well as those of the entire institution, in jeopardy.

Listed are a few recent settlements between medical institutions and the U.S. Department of Justice over alleged misuse of federal grant :

➤ Yale	\$7.6M
➤ Mayo Clinic	\$6.5M
➤ Northwestern	\$5.5M
➤ Cornell	\$4.4M
➤ UAB (Univ of AL–Birmingham)	\$3.4M
➤ Johns Hopkins	\$2.6M
➤ Harvard	\$2.4M
➤ Duke	\$1.7M
➤ St. Louis University	\$1.0M

# The government is using a multi-pronged approach to ramp up oversight

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- Recent proposed changes to OMB Circular A-133 point to the government's growing concern over effort reporting and provides guidance that could lead to additional audit work in the effort reporting area. (The purpose of OMB Circular A-133 is to set forth standards for obtaining consistency and uniformity among Federal agencies for audit of States, local governments, and non-profit organizations expending Federal awards.)
- The National Science Foundation Office of the Inspector General is currently conducting "effort reporting audits".
- The proposed Health and Human Services, Office of Inspector General, National Institutes of Health Compliance Guide identified effort reporting as a high risk area and cited past audit problems in universities as evidence of vigilance needed in this area.

# Why?

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- Through the federal mandate for effort reporting systems, institutions must obtain certifications from all individuals working on a federally sponsored project.
- Accurate time and Vanderbilt professional effort reporting is a federal and institutional requirement.
- These records are subject to audit by our:
  - Internal auditors,
  - External auditors, and/or
  - Federal sponsors.

# What Goes Into VU Professional Effort

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- Effort percentages must be based on average of the actual amount of time spent on your VU professional work.
- The number of hours each week may substantially exceed 40 hours.
- VU professional time, includes, but is not limited to research, clinical, teaching, and administrative activities. It may include time spent at other locations or from home (e.g. reading journals relevant to research being performed).

# Exclusions from Effort Reporting

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- Any outside activity for which compensation is paid (or would ordinarily be expected to be paid) directly to you as an individual from sources outside the University (e.g. consulting, NIH, VA, or volunteer work, such as President of AHA).
- For activities deemed excluded from your VU effort, it is critical the Vanderbilt-funded staff (including administrative staff) not perform duties related to the work.

# Effort Certification

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...represents an after-the-fact confirmation of the effort spent on a project and is required of all faculty and staff working on federally-sponsored projects



# What You Must Know About Effort Reporting

- If you are charged to federally sponsored projects, you must certify your effort each time your federal sources of salary change or if no changes, you must certify at least yearly.
- Vanderbilt requires the Effort Report to be certified by the individual performing the work (rare exceptions).
- The system used at Vanderbilt for salaried employees to certify effort is ePAC—**e**lectronic **P**ersonnel **A**ction **C**hange.
- Hourly employees certify every two weeks when signing their timesheets.
- You are responsible for the accuracy of your effort report and should be comfortable with explaining it to an auditor.

# Common Effort Reporting Compliance Problems

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- Failure to include all institutional effort in the effort percentage calculation.
- Inaccurate statements of effort on federal projects.
- Faculty charged 100% to sponsored research.
- Failure to account for unfunded effort.
- Failure to adjust for significant changes in effort levels between effort reports.
- Use of a “normal” 40-hour work week as the basis for the effort percentage calculation.

# Example

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Assume that Dr. Jones works an average of 50 hours each week performing the following activities:

- 20 hours federal research (including evenings and weekends)
- 10 hours seeing patients (including evenings and weekends)
- 10 hours teaching medical students
- 5 hours attending departmental, institutional, committee and other general meetings.
- 5 hours teaching fellows new laboratory techniques on T-32 grant

# Example

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Based on above, the allocation of effort on the PAF would be:

- Research: 40%
- Patient care: 20%
- Instruction (non-grant related): 20%
- Administrative (non-grant related): 10%
- Sponsored research training: 10%

# Example for Discussion

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Assume that Dr. Jones works an average of 55 hours each week performing the following activities:

- 45 hours federal research (3 ROIs)
- 5 hours on outside activities for other compensation to review grants for outside agencies and working as the editor of JCI (external publication)
- The remainder on teaching and administrative activities for Vanderbilt

# Example for Discussion

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Based on above, what would the allocation of effort on the PAF would be? Note: his Vanderbilt denominator is 50 hours.

- Research: 90%
- Teaching / Administrative: 10%
- Excluded time: 5 hours



# ePAC

## Electronic Personnel Action Change



# What is ePAC?

- ▶ Vanderbilt's web-based system with electronic workflow for plan confirmation and effort certification (**e**lectronic **P**ersonnel **A**ction **C**hange)
- ▶ Faculty/staff notification of effort certification requirement based on occurrence of designated events:
  - Earnings Distribution Changes (EDC)
  - Retroactive Distribution Changes (RDC)
  - Annual Certification (ACR)
  - Final Certification (FCR)
- ▶ Electronic workflow approvals
- ▶ On-line tracking of distribution of personnel action change status
- ▶ Interfaces to update Human Resource Management system for position, job, and distribution changes and to financial systems for retroactive distribution changes





# ePAC Effort Certification Email example

To: Principal Investigator

Subject: Effort Certification Required

**\*\* Attention Electronic Personnel Action Change (ePAC) Application User \*\***

This message is a notification that your action is needed in the effort certification web application. In order to comply with federal effort reporting regulations, please login to the application by clicking here:  
<https://webapp.mis.vanderbilt.edu/epac>.

If you have any questions regarding this important certification responsibility or the use of the effort certification web application, please contact your department administrator, the VUMC Department of Finance (3-5350) or the University Office of Contract and Grant Accounting (3-6655).

NOTE: You may also find easy to follow instructions at the ePAC Website at  
<https://finweb.mc.vanderbilt.edu/Support/VUOnly/Training/ePAC/ePACEffortCertTipSheet.pdf>

\*\*\*\* Please do not reply to this message \*\*\*\*

This message was originally addressed to: [principal\\_investigator@Vanderbilt.Edu](mailto:principal_investigator@Vanderbilt.Edu)  
time: Wed Apr 11 10:37:14 CDT 2007



LOGOUT

HELP

REPORTS

Distributions  
Worklist

Distributions  
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Job/Position  
Changes

Certifications

Certification  
History

Distributions Worklist

# Certifying a PAC

- EDC or RDCs will be listed in the Distributions Worklist
- FCR or ACRs will be listed under the Certifications tab



LOGOUT

HELP

Start a Distribution Change

Employee  Center

EDC

Employee ID

Begins With

Search

Distributions  
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Distributions  
Search

Job/Position  
Changes

Certifications

## Earnings Distribution Summary

Name:

Comp Rate: **\$1.00**

ID:

Comp Freq: **M - Monthly**

Record #: **0**

Pay Group: **MM1 - Medical Monthly 1**

Home Dept:

Job Code: **2050 - Assoc Professor**

PAC Status: **Pending Certifier Approval**

Following is the earnings distribution that has been submitted to reflect your planned effort beginning on the effective date displayed below. Please confirm the reasonableness of this distribution in relation to your planned work activities by using the action buttons below.

Distribution

Effective Date: 05/01/2007

Center	Center Description	Center End	Center Resp Person	Job Code	Account	Current Distribution	New Distribution	Distrib Change
1040659372	MODULATION OF HIV INFECTION BY THE HELICOBACTOR PYLORI VACA	08/31/2005		2050 - Assoc Professor	50200	2.000%	10.000%	8.000%
4043620701	DK53623-06A1 /07/08 H PYLORI FACTORS ASSOCIATED WITH PEPTIC	04/30/2007		2050 - Assoc Professor	50200	49.000%	0.000%	-49.000%
4043621401	A139657-06-10 STRUCTURE FUNCTION ANALYSIS H. PYLORI VACA	05/31/2007		2050 - Assoc Professor	50200	49.000%	50.000%	1.000%
4043625443	RFS 34349374-04 TUBERCULOSIS EPIDEMIOLOGIC STUDIES CONSORTIUM	12/31/2008		2050 - Assoc Professor	50200	0.000%	40.000%	40.000%
<b>Total:</b>							<b>100.000%</b>	<b>0.000%</b>

Exit

Reject

Approve

Click here to Approve the New Distribution as defined above.



LOGOUT

HELP

Start a Distribution Change

Employee Center

EDC

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Search

Distributions Worklist

Distributions Search

Job/Position Changes

Certifications

Effort Certification Summary

Name:

ID:

Record #: 0

Home Dept:

Comp Rate:

Comp Freq: M - Monthly

Pay Group: MM1 - Medical Monthly 1

Job Code: 2050 - Assoc Prof

PAC Status: A

Following is a summary of the existing distribution of your earnings within the payroll system for the period(s) listed below to be certified. This distribution was computed based upon your planned/budgeted effort as previously submitted. In order to confirm that your actual work activities were consistent with the planned activities, please review the Effort Report below in relation to your actual work activities and indicate your agreement or disagreement with these distributions.

Effort Report

view details

For periods: February 2007, March 2007

Center Description	Center End Date	Center Resp Person	Center	Center Distribution
MODULATION OF HIV INFECTION BY THE HELICOBACTER PYLORI VACA	08/31/2005			2.00%
DK53623-06A1/07/08 H PYLORI FACTORS ASSOCIATED WITH PEPTIC	04/30/2007			49.00%
AI39657-06-10 STRUCTURE FUNCTION ANALYSIS H. PYLORI VACA	05/31/2007			49.00%
<b>Total:</b>				<b>100.00%</b>

Cancel

Disagree

Agree

# Effort Certification Summary

Name: \_\_\_\_\_ Comp Rate: \_\_\_\_\_  
ID: \_\_\_\_\_ Comp Freq: **M - Monthly**  
Record #: **0** Pay Group: **MM1 - Medical Monthly 1**  
Home Dept: \_\_\_\_\_ Job Code: **2050 - Assoc Prof**  
PAC Status: **A**

Following is a summary of the existing distribution of your earnings within the payroll system for the period(s) listed below to be certified. This distribution was computed based upon your planned/budgeted effort as previously submitted. In order to confirm that your actual work activities were consistent with the planned activities, please review the Effort Report below in relation to your actual work activities and indicate your agreement or disagreement with these distributions.

Agree All

Disagree All

## Effort Report

Pay End Date: 02/28/2007

Earning Period: 02/01/2007 - 02/28/2007

Center Description	Center End Date	Center Resp Person	Certification Reason	Center	Center Distribution	Agree	Disagree
MODULATION OF HIV INFECTION BY THE HELICOBACTER PYLORI VACA	08/31/2005		EDC		2.00%		
DK53623-06A1/07/08 H PYLORI FACTORS ASSOCIATED WITH PEPTIC	04/30/2007		EDC		49.00%		
AI39657-06-10 STRUCTURE FUNCTION ANALYSIS H. PYLORI VACA	05/31/2007		EDC		49.00%		
<b>Total:</b>					<b>100.00%</b>	<input type="radio"/>	<input type="radio"/>

Pay End Date: 03/31/2007

Earning Period: 03/01/2007 - 03/31/2007

Center Description	Center End Date	Center Resp Person	Certification Reason	Center	Center Distribution	Agree	Disagree
MODULATION OF HIV INFECTION BY THE HELICOBACTER PYLORI VACA	08/31/2005		EDC		2.00%		
DK53623-06A1/07/08 H PYLORI FACTORS ASSOCIATED WITH PEPTIC	04/30/2007		EDC		49.00%		
AI39657-06-10 STRUCTURE FUNCTION ANALYSIS H. PYLORI VACA	05/31/2007		EDC		49.00%		
<b>Total:</b>					<b>100.00%</b>	<input type="radio"/>	<input type="radio"/>

Exit

Continue

# Effort Certification Confirmation

Name: \_\_\_\_\_ Comp Rate: \_\_\_\_\_  
 ID: \_\_\_\_\_ Comp Freq: **M - Monthly**  
 Record #: **0** Pay Group: **MM1 - Medical Monthly 1**  
 Home Dept: \_\_\_\_\_ Job Code: **2050 - Assoc Prof**  
 PAC Status: **A**

In order to finalize your effort certification for the period(s) listed below, please click the Certify button below to confirm that your actual work activities were consistent with the distribution(s) listed below or click Exit to return to Effort Certification Summary screen.

I certify that I have first-hand knowledge of (or have used suitable means of verifying) work performed by this individual and the actual salary distribution is reasonable in relation to the work performed.

## Effort Report

Pay End Date: **02/28/2007**

Earning Period: **02/01/2007 - 02/28/2007**

Center Description	Center End Date	Center Resp Person	Certification Reason	Center	Center Distribution	Agree	Disagree
MODULATION OF HIV INFECTION BY THE HELICOBACTER PYLORI VACA	08/31/2005		EDC		2.00%		
DK53623-06A1/07/08 H PYLORI FACTORS ASSOCIATED WITH PEPTIC	04/30/2007		EDC		49.00%		
AI39657-06-10 STRUCTURE FUNCTION ANALYSIS H. PYLORI VACA	05/31/2007		EDC		49.00%		
<b>Total:</b>					<b>100.00%</b>	<b>AGREE</b>	

Pay End Date: **03/31/2007**

Earning Period: **03/01/2007 - 03/31/2007**

Center Description	Center End Date	Center Resp Person	Certification Reason	Center	Center Distribution	Agree	Disagree
MODULATION OF HIV INFECTION BY THE HELICOBACTER PYLORI VACA	08/31/2005		EDC		2.00%		
DK53623-06A1/07/08 H PYLORI FACTORS ASSOCIATED WITH PEPTIC	04/30/2007		EDC		49.00%		
AI39657-06-10 STRUCTURE FUNCTION ANALYSIS H. PYLORI VACA	05/31/2007		EDC		49.00%		
<b>Total:</b>					<b>100.00%</b>	<b>AGREE</b>	

# Research Compliance Experts (RCEs) Clinical Departments

updated August 2010

Anesthesiology – Steve Bruehl

Emergency Medicine – Alan Storrow

Hearing and Speech – Wesley Grantham

Medicine – Blackwell, Sawyer, Brown, Sligh, Davis, Peek, George, Arteaga, D'Aquila,  
Kernodle, Dittus, Harris, Thomas

Neurology – Subramaniam Sriram

Ob-gyn – Kaylon Bruner Tran

Ophthalmology – John Kuchtey

Ortho – Ginger Holt

Otolaryngology – David Zelear

Pathology – Larry Swift

Psychiatry – Ron Cowan

Pediatrics – Miki Aschner, John Phillips, Lawrence Prince, Lynn Walker, Louis Muglia

Radiology – Bruce Damon

Radiation Oncology – Michael Freeman

Section of Surgical Sciences – James Goldenring

# Research Compliance Experts (RCEs) Basic Departments

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updated August 2010

Biochemistry – Zu-Wen Sun

Biostatistics – William Dupont

Cell Biology – Steve Hann

Cancer Biology – Peng Liang

Informatics – Paul Harris

Microbiology – Chris Aiken

Molecular Physiology – David Piston

Pharmacology – Brian Wadzinski



# Useful Links

OMB Circular A-21

[http://www.whitehouse.gov/omb/circulars/a021/a21\\_2004.html](http://www.whitehouse.gov/omb/circulars/a021/a21_2004.html)

OMB Circular A-110

<http://www.whitehouse.gov/omb/circulars/a110/a110.html>

OMB Circular A-133

<http://www.whitehouse.gov/omb/circulars/a133/a133.html>

Administrator's Resource (Online Reference Guide)

[https://medschool.mc.vanderbilt.edu/dept\\_managers/](https://medschool.mc.vanderbilt.edu/dept_managers/)



Includes "Who to Contact" section for  
Finance: Academic & Research Enterprise

VU Policies for Post-Award Management & Compliance

<http://finweb.mc.vanderbilt.edu/AcadRes/GiftsGrantsCont/Policy.asp>

VU Faculty Research Effort Reporting and Certification Online Training

<https://medschool.vanderbilt.edu/foto/>

VU Staff Effort Reporting and Certification Online Training

<http://vanderbilt.mzinga.com/app/servlet/goTo?Page=CourseInfo&DirectLinkID=28329>

Medical Center Compliance Office

<http://www.mc.vanderbilt.edu/compliance>

NIH Grants Policy Statement

[http://grants.nih.gov/grants/policy/nihgps\\_2010/index.htm](http://grants.nih.gov/grants/policy/nihgps_2010/index.htm)