

NCURA Neighborhoods Online Chat
Effort: Beyond Reporting
July 18, 2007

Featured Guests: **Sara Bible**, Senior Associate Dean for Finance and Administration, Stanford University and **Joe Gindhart**, Director, Sponsored Project Accounting, Washington University

Moderator

Welcome to today's chat Effort: Beyond Reporting, sponsored by the FRA Neighborhood. We are joined by Sara Bible and Joe Ginhart. Sara Bible is the Senior Associate Dean for Finance and Administration in the Dean of Research Office at Stanford University and has been at Stanford since 1985. Joe is the Director, Sponsored Projects Accounting, Washington University and has been in research administration for 17 years. Welcome to both of you!

Joe Gindhart

Hello. Thanks for joining the chat today.

Sara Bible

Hi everyone. Thanks for joining us today.

Moderator

Let's get started. If you have questions/comments for Sara or Joe please type them in the rectangular box and hit enter.

Peggy Vigiolto

Do you track/compare committed effort to actual effort? What mechanisms, if any, do you have in place to control over commitments?

Joe Gindhart

Peggy: At WU, we do not have a formal system to track committed effort. The PI and the Department Administrator are primarily responsible for that function. If there is a reduction in committed effort that is 25% or more, the PI will work with our Pre-award office to notify the sponsor and obtain their approval.

Sara Bible

Peggy, Stanford uses the Plan Confirmation method for salary distribution, which means the budgeted amount of effort is charged initially to the project. PIs then review monthly expenditure statements, and review and certify quarterly statements. The PI notes, on the expenditure statement, any necessary adjustments to the budgeted effort so that an adjustment can be made.

Ashley Turbeville

Hello Joe and Sara: Is first hand knowledge required for effort reporting?

Joe Gindhart

Ashley: "First hand knowledge" is the language from an older version of A-21. Currently, the statement is " the individual faculty or staff member should certify their effort, or a responsible person with/using suitable means of verification that the effort was performed". At WU, we require the individual to certify their own effort report. If they are not available, on medical leave or something, then it's someone with a suitable means of verification.

Peggy Vigiolto

Hi Joe and Sara, Please explain/define overcommitted effort.

Joe Gindhart

Peggy: A PI would be overcommitted if/when the committed effort on his current projects exceed the amount of his/her actual available research time. Here's an example: Grant A: 25% Grant B: 25% Grant C: 25% Admin: 10% Instruction 15% -If the PI gets a new award (Grant D) with a 25% effort commitment, he/she would be overcommitted. The PI would have

to contact the sponsoring agencies to work out a plan about reduction in effort for one or all four projects.

Ashley Turbeville

Joe--Define Suitable Means of Verification please.

Barbara Sheehan

What is the minimum amount of record-keeping that is required to document time and effort for most federal grants.

Sara Bible

Barbara, for a large portion of effort (say 20%) payroll records and PI certification would be adequate. For a small portion of effort (about 5%) I think you would want more detailed time and effort records as well as PI certification.. For hourly employees you would want to use their timesheets.

Joe Gindhart

Ashley: This would mean someone who is aware of what projects/activities the person worked on during the reporting period. We would let a lab supervisor or PI sign for a staff person, and probably a department chair for a faculty member.

Sara Bible

Peggy, in response to your question regarding overcommitted, effort that adds up to more than 100%. This could occur when a PI receives a new sponsored award and their salary was already fully allocated to sponsored and other activities. In this case their salary needs to be redistributed based on effort expended (or based on planned effort if using a plan confirmation method).

Peggy Vigiolto

The PI is committed to 10% effort on a project and \$10,000 was budgeted annually for his salary. Right after the award he gets an unexpected raise. The PI says the project budget can't afford more than \$10,000 annually. How do you handle this increase? Do you reduce overall effort?

Joe Gindhart

Peggy: We would advise the PI that effort percentage should remain at 10% and the additional amount should be cost shared. In some instances, the raise could be tied to new/additional activities such as section/division chief or chair. This new position may affect the total amount of time the PI has to devote to research. In such a case, the PI should really contact the sponsoring agencies and work with them to clarify current/ revised commitments to the projects.

Joanne Goldstein

Joe or Sara: What if the PI states that they are not over committed on Grant D because it is similar to Grant A, and that he/she is going to use the results of Grant A to satisfy Grant D.

Joe Gindhart

Joanne: In most cases, the feds consider each grant to be a separate project with distinct effort commitments. I would start by looking at the proposal for Grant D to see if the PI clearly stated that there is effort overlap in Grant A and that Grant A is listed in their current support disclosure. This is a tricky issue and it would probably warrant a call to the Grants Management Specialist and the PI to work out the details.

Peggy Vigiolto

Joe and Sara: Do you ever allow a PI to show zero effort on a proposal?

Sara Bible (Jul 18, 2007 1:18:24 PM)

Peggy, Stanford has a formal policy on this topic. Some types of research programs, such as programs for equipment and instrumentation, doctoral dissertations, and student

augmentation, do not require committed faculty effort, paid or unpaid by the Federal Government, and consequently would not require any effort to be proposed. This is supported by the OMB Clarification Memo dated January 5, 2001. Here's the URL:
http://www.ostp.gov/html/OMBA21_01.pdf

Peggy Vigiolto

Joe or Sara: Do you have any non-employed volunteer investigators, and if so, how do you track their effort?

Sara Bible

Peggy, occasionally Stanford has emeritus faculty that volunteer their time to work on sponsored projects. In those cases, we calculate the fair market value of their effort making a note to the file and to the office that calculates the facilities and administrative (F&A) rates. That office accumulates all such situations and determines if the total amount would have a material impact on the F&A rate. If so, an adjustment would be made to the proposed rate.

Joe Gindhart

Peggy: At WU, we have some faculty that are Howard Hughes Medical Institute (HHMI) PIs. They are paid directly by HHMI, so their effort is not tracked by our system. These HHMI faculty can apply for grants through the University, however their proposed effort would be considered third party cost sharing.

Ashley Turbeville

What about research grants? If there is a small amount of funding and the PI wants to use the money for the research plan - can you show 0% effort and allow the department to have in-kind contribution for his salary? If so do you report this to the agency on a PHS 398?

Sara Bible

Ashley, you will need to include some effort in the proposal, but it is fine to have the department cost share the PI's effort. This is committed cost sharing and will need to be reported on the PHS 398.

Joanne Goldstein

What if cost transfers are the result of the T&E certification, but are more than 90 days to NIH guideline? Do you allow them?

Joe Gindhart

Joanne: We would allow someone to post a retroactive salary adjustment if they provided sufficient justification. The NIH guidelines are based on 90 days from the date of discovery (and not the date of the original transaction). If the PI discovered the "error" during his/her review of the effort report, then the cost transfer would probably be within the 90 day NIH timeframe.

Joe Gindhart

Joanne - more: If your institution has a 90 day from original transaction policy, then the salary transfer could be posted to the cost sharing account for the project.

Peggy Vigiolto

Do you allow effort report recertifications and, if so, in what situations are they allowed?

Sara Bible

Peggy, Stanford allows recertifications when they are done in a timely manner (within approximately 90 days) to correct an error. They are not allowed for purposes of convenience, to move salaries to sponsored accounts that provide convenient funding.

Joe Gindhart

Peggy: Faculty and staff may submit a revised effort report. If the PI subsequently determines that the salary distribution on the project is not right, then we want that issue fixed. We want to make sure the amounts charged to sponsored projects are reasonable. - Some institutions

will only allow the PI to subsequently move salaries off a grant. Any additional amounts for a project would be cost shared.

Jaime Bunner

Who certifies the effort reports for graduate research assistants?

Ashley Turbeville

Joe, You stated 90 days from date of discovery (NIH Guidelines). We have always done 90 days from date of occurrence. Can you give me a reference point for the NIH Notice that states Date of Discovery?

Joe Gindhart

Ashley: Look on page 83 of the NIH GPS, "Cost Transfers, Overruns, and Accelerated and Delayed Expenditure" section. Errors should be accomplished with 90 days of when the error was discovered. I have gone round and round with auditors on this issue. A-21 or A-110 doesn't contain a specific time frame, but it should reference "in timely manner". Again, it may all hinge on your institution's costs transfer policy.

Sara Bible

Jaime, at Stanford the PI certifies effort, and all other expenses, for anyone working on their sponsored agreement. If there is a question of which project is benefiting from the Graduate RA's effort, the PI has full knowledge and understanding of the RA's effort and is in the best position to certify.

Joanne Goldstein

How do you handle situations where a PI is committed 100% for the summer, but takes a one-month vacation in the summer?

Joe Gindhart

Joanne: The faculty member shouldn't take vacation during the summer if is going to charge three months time to grants. Some institutions are requiring the faculty member to certify that they will not take summer vacation if they are charging three summer months. Under the NSF guidelines, he/she is limited to two summer months, with one month available for vacation.

Peggy Vigiolto

Joe or Sara: The department head for Anatomy has 3 NIH R01 grants and has just been awarded another grant that results in committed effort in excess of 100%. What are the options for accepting this award?

Sara Bible

Peggy, in response to your question about overcommitted effort, the PI may request that a co-PI take over a portion of the work, ask for a delay in the performance period until one of the R01 grants is completed, or reduce the effort on one or more of the three R01 grants.

Peggy Vigiolto

Joe or Sara: If you do track/compare committed effort to actual effort, what is a comfortable variance?

Sara Bible

Peggy, regarding tracking/comparing of committed effort, Stanford certifies effort on a quarterly basis. Fluctuations within the quarter are acceptable as long as the quarter is an approximate average of the three individual months.

Ashley Turbeville

In reference to Peggy's question - even if he reduces effort on the grants he is still a department head. What about administrative duties, which would cause him to also be overcommitted?

Joanne Goldstein

Joe: Please clarify your statement that additional amounts would be cost shared. Why would it be considered cost sharing if the PI met their committed effort? Would this be voluntary uncommitted cost share and not required to be reported.

Joe Gindhart

Joanne: Good point. If the PI has already met the committed effort, but his actual may have been more (and the additional time was not charged to another grant) - then do they have to post an adjustment. Agree that this would be voluntary uncommitted cost sharing and would not have to be charged to the project. My original reply was factoring that the PI was adjusting amounts between grants.

Barbara Sheehan

Can you give us an example or examples of detailed attachments to time and effort reports? Detail that would sufficiently support the PI's confirmation of their time, excluding hourly employees. Are we looking for narrative explanations of time spent on a periodic basis?

Sara Bible

Ashley, regarding Peg's question about the 3 R01 grants, you're absolutely correct. The department head's other responsibilities for running the department need to be included in his 100% effort. He also may still have teaching responsibilities which would also have to be included in his 100% effort. Given he's now running the department it will be easier for him to be overcommitted. Hopefully his research administrator is keeping close tabs on his commitments.

Moderator

Barbara, can you clarify? Is this related to a previous comment?

Barbara Sheehan

Yes, it was earlier. It was mentioned that for time and effort on some grants (less than 20% of grants) more detailed information is required. What kind of detail would we be looking for?

Sara Bible

Barbara, I meant that if a grant has a small amount of time charged to it then more detailed documentation would be needed, such as timesheets. It's easier to explain large amounts of effort and more difficult to document small amounts such as 10%. If the PI had a timesheet to refer to, it would help in their documentation and certification of the individual's effort.

Joanne Goldstein

Sara: Please clarify what you mean "as the quarter is an approximate average of the three individual months?" Please provide an example.

Sara Bible

Joanne, I'm responding to your question about quarters. The PI will review monthly expenditure statements for their projects. Let's say the "planned" effort was 20% for the PI for the entire quarter, but their actual effort was 10% in the first month, 30% for the second month, and 20% for the third month. The three months average to 20%, which is equal to the "planned" effort. We don't require that the effort be 20% every month. We average it over the quarter.

Peggy Vigiolto

Joe or Sara: How does your institution treat faculty consulting time in your effort reporting system?

Joe Gindhart

Peggy: At WU, faculty members are allowed one day per week for external consulting activities. This activity is not part of their institutional base salary (IBS), therefore it is not captured in our effort reporting system. Other activities that are excluded from the faculty

member's IBS are; Patient Advocacy, Community Service, NIH Peer Review, Veterans Administration Hospital.

Peggy Vigiolto

Joe or Sara: The PI has \$24,000 available on his NSF grant for summer salary and his monthly academic year salary is (\$90,000 or \$10,000/month). What amount should be charged to the grant?

Joe Gindhart

Peggy: The budget amount for each month (assuming 100% effort) is \$12,000, but his regular academic year pay is only \$10,000. A-21 requires that summer salary be charged at that does not exceed base rate (of pay) for the academic period. Accordingly, the PI can only charge the \$10K per month.

Peggy Vigiolto

Joe or Sara: The PI just received a twelve-month no cost extension on his grant. Does he have to maintain the committed level of effort on the project during that time period?

Joe Gindhart

Peggy: The PI should continue to contribute the committed level of effort or come to an agreement with the sponsor (in advance) regarding a reduction of effort. If the remaining grant funds cannot support his effort during extension period, his salary should be charged to an appropriate cost sharing account.

Joanne Goldstein

How does a leave of absence affect committed effort?

Joe Gindhart

Joanne: If the PI is going to take a leave of absence of three months or more, then he/she should get prior approval from the sponsor - per A21.

Peggy Vigiolto

Joe or Sara: How does your institution handle vacation time for faculty (with nine month appointments) charging summer salary to their NSF projects?

Joe Gindhart

Peggy: The faculty member should take vacation during the period that he is not supported by the NSF. Per the NSF guidelines, a faculty member can only charge up to two summer salary months to NSF projects. If this individual works 100% on the NSF grant during June and July, the vacation time should be taken in August. The PI could also work/charge the two summer salary months over a three-month period (66.67%/month) so that he/she has more flexibility for take some vacation time.

Peggy Vigiolto

Do you track voluntary uncommitted faculty effort?

Joe Gindhart

Peggy: Defined in OMB Clarification Memo (1/5/01) as: Faculty and senior research effort, above that which is committed and/or budgeted for a sponsored project. This effort is excluded from the effort reporting requirements in A-21. In most cases, the salaries and wages associated with this activity are charged to department research or instruction funding sources. Here's the link to the OMB Clarification Memo dated January 5, 2001:
http://www.ostp.gov/html/OMBA21_01.pdf

Peggy Vigiolto

Joe or Sara: The PI and co-investigator on a NIH grant are reviewing the effort commitments on the upcoming year 02 of the project. One or both of them may have to reduce their actual

effort by 25% or more based upon some new clinical care duties. Do they both need to get prior approval for the reduction in effort?

Sara Bible

Peggy, here's what the NIH Grants Policy Statement says: "The grantee is required to notify the Grants Management Officer (GMO) in writing if the PI or key personnel specifically name in the Notice of Grant Award (NGA) reduces his/her time devoted to the project by 25% or more from the level that was approved at the time of the award." The PI should be named specifically on the Notice of Grant Award (NGA), so he/she would have to notify the Institute of the expected reduction in effort. Review the NGA to see if the co-investigator has been specifically named. If the co-investigator is not named on the NGA, then the NIH does not have to be notified

Peggy Vigiolto

Joe or Sara: The department head for Anatomy is also an active researcher. What % effort would you think the average department head might be able to release for sponsored work?

Joe Gindhart

Peggy: As an active and probably senior researcher, the department head could have up to 80% available for research (with 20% available for department administration). It really depends on the size and complexity of the department and the individual's management style (micro vs. macro-management). In the medical school environment, the clinical department chair will probably have a chunk on time devoted to clinical/patient care. Noted below are some typical chair models and related activities: See next response.

Joe Gindhart

Peggy - more on department head ***Main Campus: full-time chair (research intensive department/school) -Mostly research and administration. Main Campus: Rotating chair (new chair every three years) -Instruction, research and administration Med School: full time – basic sciences (anatomy, pharmacology, physiology...) -Some instruction, heavy research, administration Med School: full-time clinical department (neurology, surgery, internal medicine...) - Patient care (clinical), research, administration

Peggy Vigiolto

For a researcher working on a clinical trial, how do you explain the need to differentiate research time and patient care (clinical) time?

Joe Gindhart

Peggy: As the PI on a large clinical trial, a portion of his/her salary would be charged to the project for managing the technical/scientific aims, coordination with co-investigators and finances (similar to other research projects). The PI may also provide patient care services to the subjects in the project such as; office visit, surgical procedure, X-ray read. The PI could include this activity in the percentage of salary charged to the project or it could be charged as patient care item/fee (non-salary).

Peggy Vigiolto

Joe or Sara: A faculty member with a NIH K08 (Career Development Award) just received his first RO1 grant. He has committed 20% effort to the RO1. How does the new award effect his 75% commitment on the K08?

Sara Bible

Peggy, NIH clarified this issue back in 11/03 via Notice NOT-OD-04-007. The effort on the K08 can be reduced to no less than 50% and replaced with effort from the RO1 award so that the total commitment to research remains at 75% or more for the remainder of the K08 project period.

Ashley Turbeville

Sara: I just went through what Peggy asked about. Even though the co-investigator was not listed in the NOGA - NIH Grants Management Specialist still wanted us to seek prior approval. It was kind-of like a catch 22.

The only reason I called was because the CO-investigator was listed on the key personnel sheet (as part of the grant application). I figured I better check and I am glad I did. You know sometimes it depends on what grants specialist you are working with at NIH.

Joe Gindhart

Ashley: Sometimes the institutes can have more strict requirements. Joe Ellis from NIH-OPERA has stated on numerous occasions that the prior approval only relates to individuals specifically name "on the NGA". In your case, you probably just have to go along with that GMS and live with it.

Moderator

Thanks to Sara and Joe for all their insights and knowledge. Thanks to the FRA neighborhood committee for assisting with coordinating this offering.

Please join us for another financial topic of interest, the next webinar on 9/20 "Procurement Cards: Everywhere You DON'T Want Them to Be." If you are interested in more financial related information and resources visit the Financial Research Administration online neighborhood, one of our virtual communities of professional interest at <http://www.ncura.edu/members/neighborhoods/> Good Afternoon.