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**Time and Effort
Reporting Policy**

APPROVALS:

SLT: 06/04/15; BOD: 2Q-15

Scope: Medical Center Beckman Research

I. PURPOSE / BACKGROUND

As recipients of federal research funding, City of Hope National Medical Center (“COHNMC”) and Beckman Research Institute of the City of Hope (“BRI”), collectively City of Hope (“COH”) and City of Hope Medical Group (“COHMG”) for the purposes of this policy, are subject to certain federal regulations that require documented review of salary charges designed to verify that charges to federally sponsored research projects are accurate, allowable, and properly allocated. One important obligation imposed on COH is the requirement to maintain after-the-fact personnel activity reports for the purpose of properly allocating salary charges and effort to federal projects.

The requirement to establish and maintain internal controls for time and effort reporting is derived primarily from the Office of Management and Budget (“OMB”) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule (2 CFR Chapter I, Chapter II, Part 200, et al.), which sets forth the steps that funding recipients must take in order to document charges to federally sponsored research projects.

It is the policy of the COH that all researchers who engage in sponsored projects will comply with this policy and individual sponsoring agency regulations regarding effort committed and reported to sponsored programs.

II. POLICY

A. Time and Effort Reporting Policy

1. Effort reporting is the confirmation that the effort and salary is consistent with actual effort expended. The Effort Certification and Reporting Technology (ecrt) system, developed by Huron Consulting, was implemented to meet this requirement. This system facilitates both the monitoring of effort distributions and the required certification of effort. The ecrt System is the official system of record for effort reporting, effective 09/25/2011 for COH and 01/01/2012 for COHMG. Other internally developed systems and databases may be used to provide management tools, however the institutional book of record for effort reporting at COH is the ecrt System. A certified Effort Statement is used to provide the required documented evidence of the time and effort individuals devote to sponsored awards. This requirement to establish and maintain internal controls is imposed by federal regulations, and the terms and conditions of our federal grants and contracts. To comply with the record keeping requirements of other agencies that sponsor research at COH, this institution applies the federal guidelines to all sponsored awards. Certification of effort is performed for a specific Period of Performance. The Period of

Performance corresponds to the established COH and COHMG pay periods and consists of consecutive pay periods within a fiscal year quarter. The data is averaged and summarized for the period and presented as the Effort Statement. The time during which the Effort Statement is certified is called the Certification Period. Each Certification Period begins approximately two weeks after its corresponding Period of Performance. Certification is required by the established due date, approximately thirty days from the Certification Period begin date for the corresponding Period of Performance. The ecr Calendar, detailing the process timeline, can be found on the Time & Effort Reporting website at <http://www.coh.org/OSR/Pages/TimeEffort.aspx>. An electronic notification is generated to the appropriate user when the current Certification Period is open and the Effort Statements are available on-line.

2. All Professor series, Research Professor series, Medical Faculty and Executive Leadership, known in the ecr System as Self-Certifiers, are responsible for certifying their own effort. Principal Investigators are responsible for certifying the effort of their sponsored project staff, known in the ecr System as Non Self-Certifiers (individuals with effort on sponsored awards including Staff Scientist, Postdoctoral Fellow, Graduate Student and Research Associate). Reclassification of an individual's status between Self and Non Self-Certifier may be requested by the Principal Investigator.
3. The certification of an Effort Statement attests that the distribution of activity indicated by the effort percentages represents a reasonable estimate of the actual work performed by the covered individual (defined below) during the Period of Performance. Cost shared effort is tracked in the same manner as compensated effort. For purposes of this policy, effort is measured in terms of percentages and not in terms of hours worked.
4. In some instances the percentage of salary actually charged to a sponsored award may be less than the percentage of effort a covered individual actually devotes to an award. The difference may be due to constraints on budgeted salary support, limitations on salary reimbursement, or an election by COH to share voluntarily in the cost of the project.
5. Effort is defined as the amount of time spent on a particular activity, i.e., instruction, research, administration, or clinical activities. The effort devoted to an award should be consistent with the plan that was proposed to the sponsor and agreed to at the time the award was accepted.
6. Effort is calculated on a percentage basis, not on any set number of hours. Because effort must be calculated as a percentage of total activities, the basis for such a calculation must be the amount of time devoted to all of the covered individual's duties for which they receive pay from City of Hope (see definition of Institutional Base Salary in the following section). Sponsored project activities includes effort devoted to grants, contracts, cooperative agreements sponsored by non-COH entities (i.e. state, local, federal governments, foundations, and corporations for the purposes of training, clinical trials, and research). Non-sponsored activities include effort devoted to departmental business activities, proposal preparation, teaching, committees; City of Hope funded research and agreements that do not require an effort commitment.
7. Institutional Base Salary (IBS) is the annual compensation that City of Hope pays for an employee's appointment whether that employee's time is spent on research, instruction, administration, or other activities. IBS does not include any compensation paid for work conducted outside the institution (i.e. honoraria and consulting fees) or additional pay that is not effort-related (i.e. bonuses, overtime, reimbursement for moving expenses, etc.).

8. Principal Investigators should carefully consider the project commitments of all covered individuals relative not only to their other research responsibilities, but also to their administrative, institutional, and clinical obligations as well. Accordingly, when submitting a proposal Principal Investigators:
 - a. Estimate the percentage of effort required by each covered individual, including him/herself, to conduct the project. Effort is based on those activities compensated as part of an individual's IBS.
 - b. Estimate, based on the level of effort, the percentage of each covered individual's salary to charge to the grant.

B. Maximum Level of Effort

1. Effort committed by Faculty to sponsored program activities must be actively managed to reasonably reflect the time devoted to each sponsored activity and fulfillment of other institutional obligations. Faculty obligations include non-sponsored professional activities and responsibilities as part of their COH appointment. Non-sponsored activities may include clinical activities, instruction, and administration, including: writing grant proposals, committee work, department meetings, participation on institutional committees such as search committees, institutional review board or institutional animal care and use.
2. Maximum Level of Effort: At any given time, the sum of a Faculty's effort percentage commitments on organized research, patient care, instruction and teaching, and administrative activities cannot be more than – or less than – 100%. In each case, effort for any individual must always total 100% even if his/her FTE (full-time equivalent) status is less than 100%. For example, a .5 FTE will always report 100% effort based upon their appointment.

C. Time and Effort Reporting Process

1. Time and Effort certification is required for all individuals (referred to in the Policy as "covered individuals") who meet the following criteria:
 - a. Any portion of their salary is charged to a sponsored award.
 - b. Effort is expended on a sponsored award, even if salary is not charged to the award.
2. All covered individuals who are subject to Time and Effort reporting requirements, or who are responsible for any part of the Time and Effort reporting system, are expected to comply fully with this policy. Any questions concerning these procedures should be directed to the ecrt Central Administrators.

III. PROCEDURE

RESPONSIBLE PERSON(S)/DEPT.	PROCEDURE
Research Data Management & Analysis (RDMA)	<p>A. Time and Effort Reporting Policy</p> <ol style="list-style-type: none"> 1. Establish a culture of compliance and oversee the formulation and implementation of COH’s Time and Effort reporting policies and procedures; 2. Revise Time and Effort reporting policies and procedures as sponsor regulations and/or COH payroll systems change; 3. Assume overall responsibility for compliance with Time and Effort reporting requirements. 4. Oversee training of departmental administrative personnel to successfully implement Time and Effort reporting procedures;
Department / Division Director	<ol style="list-style-type: none"> 5. Implement departmental processes and controls that will assure compliance with this Policy, and related Time and Effort policies and procedures; 6. Oversee designated departmental / division administrative personnel in their duties; 7. Assure timely review and certification of all Effort Statements within the department / division; 8. Arrange for review of all grant and contract proposals submitted to extramural funding agencies to assure base salary limitations (if any) are utilized in computing grant paid salary and effort does not exceed 100% for all COH activities;
Principal Investigator	<ol style="list-style-type: none"> 9. Prepare grant applications in accordance with Sponsor policies; 10. Develop an understanding of this Policy, and related Time and Effort policy(ies) and comply with reporting procedures; 11. Assume ultimate responsibility for compliance with Time and Effort reporting requirements for awards under their supervision; 12. Maintain knowledge of the activity performed by all covered individuals working on sponsored awards under their supervision; 13. Work with departmental administrative personnel to assure that the information in API Grant Tracking is kept up-to-date with respect to covered individuals’ activities; 14. Establish procedures to assure the timely review and certification for each of their covered individuals of their

RESPONSIBLE PERSON(S)/DEPT.	PROCEDURE
<p>Designated Departmental Administrator</p> <p>Covered Individual (Non Self-Certifier)</p> <p>Covered Individual (Self-Certifier)</p>	<p>individual Time and Effort Statements;</p> <p>15. Communicate any concerns, questions or adjustments regarding the Effort Statement to the Effort Manager/Effort Coordinator;</p> <p>16. Certify their own Time and Effort Statements;</p> <p>17. Develop a thorough knowledge of COH’s Time and Effort reporting policies and procedures;</p> <p>18. Implement and maintain department-wide practices and procedures that assure compliance with COH’s Time and Effort reporting system;</p> <p>19. Notify Department / Division Director, RDMA Senior Manager and/or Vice President for Research Operations, as necessary, of any noncompliance;</p> <p>20. Understand effort commitments and activities;</p> <p>21. Understand salary and/or effort commitments and activities;</p> <p>22. Provide review and certification of the accuracy of their Effort Statements;</p> <p>23. Report any inaccuracies to the Departmental Administrator.</p>
<p>Principal Investigator and Designated Departmental Administrator</p>	<p>B. Time and Effort Reporting Process</p> <p>1. Projected Effort and Salary Allocations</p> <p>a. The Time and Effort reporting process relies, in part, on the information submitted with a grant proposal. Accordingly, when submitting a proposal:</p> <p>(1) Estimate the percentage of effort required by each covered individual, including him/herself, to conduct the project.</p> <p>(2) Estimate, based on the level of effort, the percentage of each covered individual’s salary to charge to the grant. In making these estimates:</p> <p>(a) Consider carefully the project commitments of all covered individuals relative not only to their other research responsibilities, but also to their administrative, institutional, and clinical obligations as well.</p> <p>2. Source of Effort and Salary Allocation Information</p>
<p>Principal Investigator</p>	<p>a. Verify that Effort and Salary Allocations on sponsored awards are, in general, in alignment with the budgets</p>

RESPONSIBLE PERSON(S)/DEPT.	PROCEDURE
	<p>approved for those awards. However, as the Effort Statements reflect after-the-fact reporting of a covered individual's allocations, adjustments should be made to reflect the actual percent effort and salary allocated to each sponsored project during any given reporting period. Any ongoing change should be reflected in the data entered into API Grant Tracking.</p>
Principal Investigator	<p>3. Coordination Within Departments</p> <p>a. Communicate with the Departmental Administrator and Effort Manager/Effort Coordinator any changes to a sponsored award.</p>
Departmental Administrator in Principal Investigator's department	<p>4. Coordination Among Departments</p> <p>a. Communicate with all appropriate departments any changes to a sponsored award.</p>
Designated Departmental Administrator	<p>5. Total Allocations</p> <p>a. The Designated Departmental Administrator must keep the API Grant Tracking updated to reflect the estimate of current activities.</p>
Principal Investigator Designated Departmental Administrator	<p>6. Relationship of Salary and Effort Allocations</p> <p>a. As stated above, salary allocations to sponsored projects are normally based on approved project budgets, supplemented by any more current information that the Departmental Administrator may possess regarding actual salary allocations. The percentage of any covered individual's salary allocated to a sponsored project should not, over a grant budget period, be greater than the covered individual's percentage of effort on the project. On the other hand, in some cases the salary percentage may be less than the effort percentage. There are two common circumstances that may result in a covered individual's salary allocation to a project being less than his/her effort allocation. The first such circumstance involves <u>voluntary cost sharing</u> (see Paragraph 7, below), and the second results from the NIH or other sponsor <u>compensation caps</u> (see Paragraph 8, below).</p>
Principal Investigator Office of Sponsored Research	<p>7. Voluntary Cost Sharing</p> <p>a. Voluntary cost sharing occurs whenever decision is made to charge a sponsor for less than a full effort that a covered individual commits and devotes to a sponsored project. For example, where a covered individual commits and devotes 40% effort to a sponsored project but only</p>

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	<p>30% of his/her salary is charged to the project, the difference of 10% represents voluntary institutional cost sharing. Coordinate cost sharing through the Office of Sponsored Research.</p>
<p>Principal Investigator Designated Departmental Administrator</p>	<p>8. Compensation Caps</p> <p>a. There are statutory limitations on the base salary amount that may be used to charge NIH grants (for the current limits, see http://www.grants.nih.gov/grants/policy/salcap_summary.m). Other sponsors, such as CIRM, JDRF and the Komen Foundation have compensation caps as well. These limits must be taken into consideration when calculating salary charged to awards subject to a salary (compensation) cap. Information regarding compensation caps can be found on the OSR website at http://www.coh.org/OSR.</p>
<p>Designated Departmental Administrator</p>	<p>9. Effort Certification Process Timeline</p> <p>a. Period of Performance: During the Period of Performance, the ecrt system collects data from source systems. The data is averaged and summarized for the period and presented on the Effort Statement. A Period of Performance consists of consecutive pay periods within a fiscal year quarter.</p>
<p>Effort Manager Effort Coordinator</p>	<p>b. Pre-Review Period: After the first pay period of the Period of Performance, payroll and commitment data is loaded into ecrt for that pay period. The Effort Coordinators reviews the data to ensure that the Effort Statements are accurate, makes any necessary adjustments and monitors the accuracy of the distribution of salary charges, cost sharing and that commitment is consistent with expectations.</p>
<p>Effort Manager Effort Coordinator</p>	<p>c. Pre-Certification Period: After the final pay period of the quarter of the Period of Performance, the Effort Coordinator reviews the summarized data to ensure that it is accurate, makes any necessary adjustments and certifies the non-sponsored activity for Non-Self Certifiers.</p>
<p>Principal Investigator Certifier</p>	<p>d. Certification Period: At the end of the Pre-Certification Period, the Certification Period is opened. Certifiers have approximately 30 days in which to complete their certification. If all the information presented on an Effort Statement is correct, the Certifier can complete the certification process. If corrections are needed, the Certifier should not certify their effort statement and</p>

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<p>Research Data Management & Analysis</p> <p>Designated Departmental Administrator</p>	<p>should contact their Effort Coordinator by email so that a written record exists. The Effort Coordinator/Effort Manager then implements any necessary revisions and the Certifier can then certify the effort statement. A final system-generated email reminder regarding outstanding certifications is sent to the Certifier during the last week prior to the close of the Certification Period.</p> <p>e. A final email reminder regarding outstanding certifications is sent to Effort Managers/Coordinators during the last week prior to the close of the Certification Period.</p> <p>f. Post Certification Period: After the certification period is completed, ensure all Effort Statements are certified and processed. Follow up when effort certification is overdue or requires adjustments, promptly process changes to funding streams as needed, promptly process salary cost transfers as necessary. Communicate with the cert Central Administrators if certification cannot be completed as required. Failure to certify effort in a timely manner is subject to escalating consequences and may result in the transfer of unallowable expenses to a non sponsored funding source.</p>
<p>Research Data Management & Analysis</p> <p>Director, Beckman Research Institute</p> <p>Chief Medical Officer</p>	<p>g. Consequence for Failure to Certify by the Due Date: For every deadline, non-compliance will be tracked. Non-compliance will lead to a series of potentially escalating notifications, summarized as follows:</p> <ul style="list-style-type: none"> • Notification to RDMA Senior Manager of non-compliant certifiers • Subsequent notification from the RDMA Senior Manager to the Chair • Final notification from Director, Beckman Research Institute, and Chief Medical Officer with a copy to the Chair resulting in a transfer of unallowable expense to a salary savings, academic improvement, or other discretionary source. PI eligibility will be reviewed and OSR will not accept any new proposals until resolved. <p>h. Consequence for Chronic Failure to Certify by the Due Date: For every deadline, non-compliance will be tracked. Self-Certifiers that are non-compliant three times in one fiscal year will lead to a series of potentially escalating notifications, summarized as follows:</p>

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	<ul style="list-style-type: none"> • Notification to RDMA Senior Manager of chronic non-compliant certifiers • Subsequent notification from the RDMA Senior Manager to the Chair • Final notification from Director, Beckman Research Institute, and Chief Medical Officer with a copy to the Chair resulting in a transfer of unallowable expense to a salary savings, academic improvement, or other discretionary source or PI eligibility will be reviewed and OSR will not accept any new proposals until resolved. <p>i. Consequence for Failure to Certify Effort: A final email reminder regarding outstanding certifications is sent to Certifiers during the last week prior to the close of the Certification Period. Failure to comply with the reporting and certifying requirements will lead to a series of escalating notifications and financial remedies, summarized as follows:</p> <ul style="list-style-type: none"> • Notification from the RDMA Senior Manager to the Certifier/Principal Investigator • Subsequent notification from the RDMA Senior Manager to the Chair • Final notification from Director, Beckman Research Institute, and Chief Medical Officer with a copy to the Chair resulting in transfer of unallowable expense to a salary savings, academic improvement, or other discretionary source or PI eligibility will be reviewed and OSR will not accept any new proposals until resolved.

Author: ecrt Central Administrator
 Sponsor: Senior Vice President, Research Operations

Related documents are available on the Office of Sponsored Research website, located at:
<http://www.coh.org/OSR/Pages/TimeEffort.aspx>