

This session will *not* be recorded, but this PowerPoint can be found

<https://medschool.ucla.edu/research/researcher-resources/administrative-support/department-medicine-office-research-administration/fund-management-training>

Effort Reporting System (ERS)

UCLA DEPARTMENT OF MEDICINE
OFFICE OF RESEARCH ADMINISTRATION
ZOOM TRAINING

Effort Reporting: Background

What is Effort?

- Effort is the proportion of time spent on any single professional activity and is reflected as a **percentage of the total professional activity** for which an individual is employed by an institution
- Total professional activity at UCLA may include but is not limited to
 - teaching
 - clinical practice
 - research
 - preparing proposals
 - administrative responsibilities
 - any other duties performed for UCLA

What is an Effort Report

- An **after-the-fact** method of certifying to the Federal granting agencies that the effort required as a condition of the award has actually been completed.
- Effort reporting is **only** a requirement on **Federal** and **Federal flow-through** contracts or grants.
- The Effort Reporting System (ERS) was designed to fulfill effort reporting requirements specified in the [2-CFR-200.430](#) (Uniform Guidance).
- Certified reports should factor in salary changes (Direct Retros), as well as cost sharing activities.

When is an Effort Report required?

- Any time an individual has **effort on a Federally sponsored contract or grant**, *regardless of where their salary is paid*.
- Salary is different than effort.
 - Salary = how the employee was **paid**
 - Effort = how the employee **spent her time**

Why do we need ERS?

- There is no data base available on campus that **tracks how a research employee spends his or her time/effort.**
- If the Federal Agencies wanted certification on salary paid, they could just check the payroll ledgers.

Effort Reporting: Basic Concepts

Total Effort Will Always be 100%

- No matter how many hours an employee works at UCLA, their total effort will always be 100%.
- Scenario 1 – Joe Bruin works 20 hours every 2 weeks. 10 hours on Project A and 10 hours on Project B.

$$\begin{array}{l} \text{Project A} \quad 10/20 = 50\% \\ \text{Project B} \quad 10/20 = 50\% \\ \text{Total Effort} \quad = 100\% \end{array}$$

- Scenario 2 – Jane Bruin works 80 hours every 2 weeks. 20 hours on Project A, 20 hours on Project B and 40 hours teaching.

$$\begin{array}{l} \text{Project A} \quad 20/80 = 25\% \\ \text{Project B} \quad 20/80 = 25\% \\ \text{Teaching} \quad 40/80 = 50\% \\ \text{Total Effort} \quad = 100\% \end{array}$$

Total Effort Will Always be 100%

- Same employees if they were on a monthly schedule
 - Scenario 3 – Joe Bruin has a 50% appointment (work only half of the month). 0.2500 FTE on Project A and 0.2500 FTE on Project B.

Project A	$0.2500/0.5000 = 50\%$
<u>Project B</u>	<u>$0.2500/0.5000 = 50\%$</u>
Total Effort	= 100%
 - Scenario 4 – Jane Bruin has a full time appointment. 0.2500 FTE on Project A, 0.2500 FTE on Project B and 0.5000 teaching.

Project A	$0.2500/1.0000 = 25\%$
Project B	$0.2500/1.0000 = 25\%$
<u>Teaching</u>	<u>$0.5000/1.0000 = 50\%$</u>
Total Effort	= 100%

The **Golden Rule** of Effort Reporting

- The effort **worked** should be consistent with the allocation of effort **proposed, reported or required** by the award, in addition to what was actually **paid** under each project.
 - Salary paid does not necessarily need to be equal to the effort worked, but must not be more than the effort worked.
 - Example: Jane Bruin works 50% on Grant A at an annual salary of \$50,000. The other 50% of her effort is teaching.
 - Her salary paid on Grant A can be anywhere between \$0 - \$25,000.
 - It **CANNOT** be \$25,001 or above.
 - Any amount \$0-\$25,000 that is not charged as salary on Grant A is considered “in-kind” or “cost sharing”.

The **Golden Rule** of Effort Reporting

- IN OTHER WORDS:
 - Effort reported to NIH on budgets, Progress Reports, and Prior Approval Requests to change effort should be equal (=) to:
 - Effort employee actually worked on the project throughout the quarter, which should also be equal (=) to, or greater than (>):
 - Salary actually charged to the project for that employee

Budgeted/Reported Effort = Effort Worked \geq Salary Paid

Effort Reporting: The System

How are ERS Reports generated?

- ERS reports are automatically generated for individual who have ANY portion of their salary charged to a Federal or Federal flow-through award during the ERS quarter.
- If an individual has all their research effort cost shared on an unrestricted fund, an ERS report will NOT be auto-generated for that individual.
 - You will need to manually generate an ERS report for that individual in the ERS system.

ERS Quarters: 11/12 Academics and Non-Academics

- **Winter** – January, February, March
- **Spring** – April, May June
- **Summer** – July August, September
- **Fall** – October, November, December

ERS Quarters: 9/12 Academics

- **Winter** – November, December, January, February
- **Spring** – March, April, May, **June**
- **Summer** – **June, July, August, September**
 - *(only additional compensation ERN codes)*
- **Fall** – **July, August, September, October**

Reporting Periods

- Although effort reports are split into quarters, they are issued on the semiannual basis (two quarters at a time)
- **11/12 Academics and Non-Academics**
 - Fall/Winter: October – March
 - Fall (Oct-Dec) and Winter (Jan-Mar) Pay Periods
 - Spring/Summer: April – September
 - Spring (Apr-Jun) and Summer (Jul-Sep) Pay Periods
- **9/12 Academics**
 - Fall/Winter: July – February
 - Fall (Jul-Oct) and Winter (Nov-Feb) Pay Periods
 - Spring/Summer: March – September
 - Spring (Mar-Jun) and Summer (Jun-Sep) Pay Periods

When are ERS Reports Generated?

- ERS Reports are generated approximately 15 days after each Reporting Period.
 - ~April 15th - Fall/Winter Reporting Periods
 - ~October 15th - Spring/Summer Reporting Periods
- Payroll Expense Transfers (PETs)
 - PETs processed PRIOR to the release of an ERS Reporting Period will be included when released.
 - PETs processed AFTER an ERS quarter has been released will be picked up by the system through the latepay job. The latepay job is scheduled to run every 2 weeks.

Effort Reporting: Responsibilities

Deadline

- In order for the UCLA to meet **federal requirements**, *all Effort Reports must be completion by the deadline.*
 - Effort Reports are due 120 days after the end of the Reporting Periods
 - ~**July 29st** - Fall/Winter Reporting Periods
 - ~**January 28st** - Spring/Summer Reporting Periods
 - **WARNING:** Any Effort Report that has not been certified by the due date **MAY BE SUBJECT TO AUDIT DISALLOWANCE!**

Who should review the Effort Reports?

- The Fund Manager should be responsible for verifying and adjusting, when necessary, the data contained in the ERS Report.
 - The Fund Manager has access to the award documents, and is the one who should know when a PI has made a change to the level of effort for his/her personnel
- The PI or Certifier is responsible for the final review

Who can certify an Effort Report?

- The Effort Report should be certified by someone who has first hand knowledge of where the employee spent his/her time. In most cases it is the PI.
- Faculty *must* self-certify.
- Staff members *can* self-certify or have his/her supervisor/PI certify their effort reports.
 - If as staff member is working on 2+ different projects and has 2+ supervisors, and they are not self certifying, a multiple certification is required.
- If the faculty member has left the University without certifying, and they cannot be reached to confirm their effort, refer to the following FAQ (#5) <https://efm.research.ucla.edu/ers-faq/> and/or contact your ERS Coordinator or ERS Support for further guidance.

Who can certify an Effort Report? (cont.)





- **WARNING: CERTIFICATION IS A FEDERAL REQUIREMENT. FALSE CERTIFICATION MAY BE PERJURY.**

Effort Reporting: Misc. Key Concepts

5% Tolerance

- A five percent (5%) variance is allowed between the actual effort worked and what is reported as effort.
- If an employee is unable to be precise about reporting the amount of effort expended on a specific project, policy allows for a +/- 5% tolerance threshold.
- OMB Circular A21: *"In the use of any methods for apportioning salaries, it is recognized that, in an academic setting, teaching, research, service, and administration are often inextricably intermingled. A precise assessment of factors that contribute to costs is not always feasible, nor is it expected. Reliance, therefore, is placed on estimates in which a degree of tolerance is appropriate."*

5% Tolerance (cont.)

<i>Federal and Federal Flow-Through Sponsored Projects</i>	Payroll % [A]	Paid Effort % to Certify [B]	N/A to UCLA [C]	Cost Share Effort % to Certify [D]	Total % [A+C]	Total Effort % to Certify [B+D]
Project A	20% 	20%		0%	20%	20%
Project B	10% 	10%		0%	10%	10%
Total Federal and Federal Flow-Through Sponsored Projects <i>requiring certification</i>	30%	30%		0%	30%	30%
<i>Other Sponsored Projects</i>	0% 	0%		+ 0%	0%	0%
<i>Non-Sponsored Activities</i>	70% 	70%		- 0%	70%	70%
Total Other Effort <i>not requiring certification</i>	70%	70%		0%	70%	70%
Grand Total	100%	100%		0%	100%	100%

- **Project A** – true effort lies between 15-25%
- **Project B** – true effort lies between 5-15%

Cost Sharing

- Cost sharing is the portion of project or program costs not borne by the sponsor. Cost sharing occurs whenever any portion of project costs is provided at UCLA's expense rather than at the expense of the sponsor.
 - Cost sharing should generally be charged to [unrestricted funding](#) sources.
- This may include the value of allowable third party in-kind contributions (effort without salary), as well as expenditures by the recipient.

Types of Cost Sharing

- **Mandatory Cost Sharing**
 - The sponsor **requires** UCLA to contribute to the cost of the project.
 - Example: The agency requires the PI/department to contribute \$10K of their own unrestricted funding in order to obtain a \$100K grant.
- **Voluntary Cost Sharing**
 - Voluntary Committed: Cost Sharing that is not required by the Sponsor but has been included in the award documents, i.e. budget.
 - Example: PI commits 20% effort but only requests 15% salary.
 - Voluntary Uncommitted: Cost Sharing that is not required by the Sponsor and is **not** included in the award documents.
 - Example: A PI has previously *unbudgeted* lab helper start working on the grant but the grant is short on funds so the lab helper is paid from the PI's unrestricted various donors account.

Mandatory vs. Voluntary Cost Sharing

- **Mandatory & Voluntary Committed** Salary Cost Sharing must be reflected on effort reports.
- Voluntary Uncommitted Salary Cost Sharing does not need to be reflected.
- Voluntary cost sharing is not recommended. As good stewards of our non-profit University funding, we should always try to recuperate full research costs of each project from our Sponsors.

Cost Sharing Example

Version: 2.0 (01/07/2014 12:28) Status: Certified Report Period: April 1, 2013 to September 30, 2013 Pay Periods: July 1, 2013 to September 30, 2013				Report Version: 2.0 (01/07/2014) Certified		
<i>Federal and Federal Flow-Through Sponsored Projects</i>	Payroll % [A]	Paid Effort % to Certify [B]	N/A to UCLA [C]	Cost Share Effort % to Certify [D]	Total % [A+C]	Total Effort % to Certify [B+D]
	45%	45%		55%	45%	100%
Total Federal and Federal Flow-Through Sponsored Projects <i>requiring certification</i>	45%	45%		55%	45%	100%
<i>Other Sponsored Projects</i>	0%	0%		+ 0%	0%	0%
<i>Non-Sponsored Activities</i>	55%	55%		- 55%	55%	0%
Total Other Effort <i>not requiring certification</i>	55%	55%		-55%	55%	0%
Grand Total	100%	100%		0%	100%	100%

Effort Reporting: Effort Calculations

% Effort and Person Months

- NIH quantifies effort in number of person months per year rather than percentages.
- Three type of person months:
 - Calendar Months (CM): for 11/12 Academics and Non-Academics
 - Academic Months (AM): for 9/12 Academics
 - Summer Months (SM): for 9/12 Academics
- Sample Calendar Month-Percent effort conversion calculation.
 - CM to % Effort: $1.20 \text{ CM} / 12 \text{ months} = 0.10 = 10\%$
 - % Effort to CM: $25\% = 0.25 \times 12 = 3.00 \text{ CM}$
- For AM & SM, divide/multiple by 9 or 3, respectively.
- For calculating monthly effort for bi-weekly employees use 174 hours/month

Key Personnel

- The NIH defines key personnel as individuals who contribute in a substantive way to the scientific development or execution of the project, whether or not salaries are requested.
- Check the NIH Notice of Award for list of Key Personnel.
 - Please note that this list MAY be different than the list the PI submitted on the original grant proposal.

PROGRAM PROJECT MINIMUM EFFORT REQUIREMENT

This award is issued with the requirement that Dr. S Y will devote at least 3 person months to this project for the entire budget period in accordance with NHLBI Program Project guidelines. In addition, each Project Leader must devote at least 2.40 person months to the project for which they are responsible, for the entire budget period. Any significant effort reduction requires appropriate prior approval from NHLBI in accordance with NIH and institutional policy requirements.

How should the ERS Report be certified with the PI (or other KP) changes effort mid-budget?

NIH

- General Rule – NIH approval is required when there is a **reduction** in effort that is 25% or more than the originally approved effort. (Check your Funding Opportunity Announcement (FOA), SF424 and/or Notice of Award for other guidelines).

Example

Original Budgeted Effort = 40% (4.8 CM)

Max Reduction 25% x 40% = -10% (1.2 CM)

Effort after 25% reduction = 30% (3.6 CM) **needs NIH approval**

- The adjusted/reduced effort must be report on the next Progress Report and Effort Reports.
- **Prior approval is not** needed for a reduction in effort during a no-cost extension period.

How should the ERS Report be certified when the budget period ends in the middle of an ERS quarter?

- Example: The ERS Report is for Spring 2016 (April, May, & June), but the budget period for Fund A ends May 31st, and the PI works/is budgeted at 60% effort

$$\text{April} = 60\% = 60$$

$$\text{May} = 60\% = 60$$

$$\text{June} = 0\% = \underline{+ 0}$$

$$120$$

- $120/3 = 40$ (Divide by 3 to get the average, since there are 3 months in a quarter)
- 40% should be certified on the ERS Report

Effort Reporting: Issues

Effort Reporting Common Issues

- Report is certified by someone with no first-hand knowledge of the effort worked.
- Reports for faculty were not self-certified.
- Certifying payroll/salary charges rather than effort. (not adding in cost sharing)
- Certifying budgeted effort, rather than actual effort.
- Effort reports not completed at all, or not completed by the deadline.

Audit Red Flags

- Effort Reports that have been re-opened or re-issued after certification. (Report version higher than 2.0)
- Faculty with 100% effort on Contracts and Grants.

Audit Red Flags (cont.)

- Report version higher than 2.0

Version: 7.0 (02/22/2011 02:53) Status: Certified Report Period: January 5, 2009 to March 20, 2009 Pay Periods: January 1, 2009 to March 31, 2009					Report Version: 7.0 (02/22/2011) Certified	
<i>Federal and Federal Flow-Through Sponsored Projects</i>	Payroll % [A]	Paid Effort % to Certify [B]	N/A to UCLA [C]	Cost Share % to Certify		
	40%	40%		0%	6.2 (02/22/2011) Open-Reopened	
	25%	25%		0%	6.1 (02/22/2011) Open-Reopened	
	20%	20%		0%	6.0 (02/22/2011) Certified/AdjustRe	
Total Federal and Federal Flow-Through Sponsored Projects requiring certification	85%	85%		0%	5.2 (02/22/2011) Open	
<i>Other Sponsored Projects</i>	0%	0%		+ 0%	5.1 (02/22/2011) Open-Reopened	
<i>Non-Sponsored Activities</i>	15%	15%		- 0%	5.0 (02/22/2011) Certified/AdjustRe	
Total Other Effort not requiring certification	15%	15%		0%	4.3 (02/22/2011) Open-Reopened	
Grand Total	100%	100%		0%	4.2 (02/22/2011) Open-Reopened	
					4.1 (02/22/2011) Open-Reopened	
					4.0 (11/16/2010) Certified/AdjustRe	
					3.4 (11/16/2010) Partially Certified	
					3.3 (11/16/2010) Partially Certified	
					3.2 (11/16/2010) Partially Certified	
					3.1 (11/16/2010) Open-Reopened	
					3.0 (07/27/2010) Certified/AdjustRe	
					2.1 (01/17/2010) Open-Reissued	
					2.0 (07/08/2009) Certified	
					1.1 (06/12/2009) Open	
					1.0 (06/05/2009) Open	

Academic Research, Teaching and Patient Care Missions

- UCLA David Geffen School of Medicine Academic Mission FTE
 - The mission allows 19900-FTE PIs to commit a MAXIMUM of 85% research effort without a waiver, 90% with a waiver.
 - July 1, 2008 – Maximum research effort for non-19900-FTEs will be 90% without a waiver, 95% with a waiver.
 - Waivers can be granted by the Dean on a case-by-case basis, and are only good for 1 year.

Training Grants and Other Teaching Related Research Projects

- If a grant requires a PI to devote effort to teaching, then the teaching portion of his/her effort can be included as part of the minimum 15% teaching/education requirement set by the School of Medicine's Academic Mission.
 - This rule only applies to the MENTOR (the person actually doing the teaching/training), not the trainee.

Effort Audit Findings

- What caused the disallowances?
 - Salary certified instead of effort.
 - Direct Retros caused confusion.
 - Salary Paid was GREATER than Effort Reported.
- What were some of the allowances?
 - $\pm 5\%$ variance tolerance/difference.
 - One fund # ended & a new fund # began, but same grant #.
 - 1% rounding.
 - e.g. If the report total rounds to 99% ERS will increase the top fund on the report by 1%.

Can I change an ERS Report once it has been certified?

- A certified report can be reopened in ERS, but only with an appropriate justification.
 - Changes/Re-openings & Justifications are tracked electronically in ERS and cannot be deleted once added
 - The PI and employee automatically have access to re-open the reports. Other designated departmental personnel may have access to re-open as well
 - In the DOM Tsegaye is the designated personnel. Please send justifications (with employee name, ID#, and ERS quarter) via email to him.
- Payroll charges that change the percentages will automatically re-issue the Effort Report and increase the version number.

The GOLDEN RULES

- Check the Budget/Progress Reports
- The effort certified in ERS should be equal to the amount budgeted/last reported or account for any changes in effort.
- Salary charged should NEVER be more than the actual effort.



Effort Reporting: Steps to Certifying ERS

ERS Columns

- **Payroll % [A] Column**
 - The payroll distribution according to the information ERS picked up from the payroll ledger. The backup is shown in the View Payroll Details.
- **Paid Effort % to Certify [B] Column**
 - Same as [A] but editable when [A] is incorrect or there are pending PETs.
- **Cost Share Effort % to Certify [D] Column**
 - Effort without salary.
- **Total Effort % to Certify Column [B+D]**
 - TOTAL effort worked.

Steps to Certifying ERS Reports (Step 1)

- Gather the necessary back-up documents
 - The budgets and/or Progress Reports
 - Payroll back-up
 - Emails or other communications on effort and salary
- Review and correct (if necessary) the data in each ERS report you are responsible for.
 - Check the payroll records vs what is expected (budgets, emails, progress reports etc.), to ensure payroll is allocated appropriately.
 - If direct retros are necessary, process immediately!
 - Assure the payroll shown in column [B] in ERS matches the actual payroll.
 - Add cost sharing in (if applicable) in column [D]
 - Assure that the last column in ERS [B+D] shows the desired effort %s.

WARNING: Do NOT change column [B] UNLESS you verify that column [A] is incorrect (e.g. ERS has a glitch that is causing column [A] to not calculate correctly), OR you know that Direct Retros have been processed that will change column [A] once the UPAYs hit the ledger.

Steps to Certifying ERS Reports (Step 2)

- ALWAYS add a Comment to state that you have reviewed and verified the data. Example:
 - Report reviewed, updated & verified by Rae on 03/06/2011.
- Use the Comments sections to explain unique situations, or justifications as to why you certified the report the way you did. This will make it easier to audit or remember later down the road.
 - Keep it simple, clear and concise.
 - Comments can not be deleted and will be reviewed in case of an audit.
- If you get stuck:
 - Refer to the numerous chapters in the [DOM Fund Manager Manual](#).
 - If you're from the DOM contact either Tsegaye, Raellen or Cathy.

Steps to Certifying ERS Reports (Step 3)

- Have the report Certified by the appropriate individual.
 - Self-certified (mandatory for Faculty).
 - Certified by a supervisor who has first hand knowledge of effort worked. (typically the PI)

Steps to Certifying ERS Reports

- REMEMBER THE GOLDEN RULE:

Budgeted/Reported Effort = Effort Worked \geq Salary Paid

Links from Today's Class

- EFM's ERS Website
 - <https://efm.research.ucla.edu/ers-overview/>
 - <https://efm.research.ucla.edu/special-instructions-ers-release/>
- Effort Reporting System
 - <https://ers.it.ucla.edu/EffortReporting/>
- DOM Fund Manager ERS Chapters
 - <https://medschool.ucla.edu/ora/post-award-manual>
- Payroll/CHR Monthly Working Hours Calendar
 - <https://www.chr.ucla.edu/news/monthly-working-hours-calendar>

Survey Link

<http://goo.gl/forms/C3gdjsL5y1>

We appreciate if you would take a few moments to complete a short 5 question anonymous survey to help us improve your training experience. Thank you!