

Moving Forward With Effort Reporting

March 16, 2009

IN THE BEGINNING

- Budgeted
- What the project will bear



- Show me the money

OMB Circular A-21 Section J.10

- **Compensation for employees:**
 - Payroll distribution (not called "effort reporting" in A-21)
 - Salaries, wages & fringe benefits distributed to benefiting activities
 - Estimates with a "degree of tolerance" is appropriate

Payroll Distribution A-21 J.10c.2

- Reports will reasonably reflect the activities for which employees are compensated
- Reports will be signed by the employee, PI or responsible official(s) using suitable means of verification that the work was performed.
- Reports need to reflect 100% of the Individuals Institutional Commitment

Payroll Distribution Requirements

- Time is expressed in terms of percent of total activity ("effort")--not hours
- Frequency of reporting varies depending upon method of certification-an institutional decision
- Should incorporate all personnel whose salaries are charged (or cost-shared) to research grants and contracts
- Effort should be certified, after-the-fact, by "responsible persons with suitable means of verification that the work was performed"

Payroll Distribution Areas of Risk

- Individuals assigning and certifying effort do not understand the requirements, or don't care...
- Policy not followed, late certification
- Effort not commensurate with salary
- Individual certifying does not have "suitable means of verification"
- Certify budgeted effort, not actual
- Compensated vs. uncompensated effort

What's at Risk for Us

- MiSU Federal \$2,688,431, State \$679,566, and Other \$48,205
- NDSU Federal \$24,132,470, State \$3,508,131, and Other \$3,146,633
- UND Federal \$26,431,195, State \$1,794,437, and Other \$5,474,076
- Total Federal \$53,252,096, State \$5,982,133, and Other \$8,668,914
- Grand Total for FY08 \$67,903,143

Effort Reporting – What We Need

- Electronic
- Track and Manage Commitments
- Must have Checks and Balances (Edits)
- Provide for Timely and Compliant Certification
- Reduce or Eliminate Retro's after Certification
- Management Reporting