Faculty Effort Reporting

Washington University School of Medicine

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Version 4.0

FY 2011

Institutional Risk

- **National attention focused on Effort Reporting**
  - **Large University financial settlements**
  - **DHHS Office of Inspector General Work plan**

- **Local attention**
  - **NSF and DHHS On-campus audits**
  - **Compliance Office Reviews**

Why is effort reporting a big deal?

- **Grantees agree to comply with Federal Guidelines and Uniformed Guidance 2 CFR 200 (UG).**
- **UG requires payroll costs to be documented to ensure that external sponsors reimburse the grantee only for the time and effort actually expended on their behalf.**
- **Salary costs are the majority of costs incurred on a grant.**

February 2003

- **$5.5 million settlement**
- **Qui Tam / Whistleblower**
- **Insufficient PI effort on NIH K Awards**

February 2004

- **$2.6 million settlement**
- **Qui Tam / Whistleblower**
- **Effort reporting issues**

VANDERBILT

- **Effort Reporting Audit (9/08)**

Yale University

- **$7.6 million settlement with DHHS, NSF, NASA, Army, DOE, DCAA & FBI (12/08)**

Duke UNIVERSITY

- **Administrative & Clerical Costs (1/09)**

Cornell University

- **Effort Reporting Audit (6/09)**

Effort Reporting at WU

- ## Documentation
  - **Electronic Personnel Activity Report (ePAR)**
  - **New ePARS system (certify & monitor)**
  - **Research Compliance reviews**

- ## Education program
  - **Faculty meetings**
  - **On-line course**

What is effort reporting?

- **An individual certifies that salaries charged to sponsored projects are *reasonable* in relation to the work performed during the report period.**

- **Actual salary dollars are presented as percentage figures (of total salary) on an ePAR.**

Faculty/Staff Effort

- **Total activity for which a faculty/staff member is compensated by WU.**
  - **Regardless of the number of hours actually worked (100% Institutional Effort).**
  - **No standard hours or work week**
  - **Effort varies from individual to individual**
  - **Includes all WU activity**
    - **Not just Monday through Friday**
    - **Not just X days a week**

Institutional Base Salary (IBS)

- **Annual compensation paid by WU for a faculty member's appointment for activities such as:**
  - Organized Research
  - Department Research
  - Instruction
  - Patient Care (Clinical Care/Trials)
  - Graduate Medical Education
  - Department Administration
  - Management of Hospital Services

Excluded from IBS (and ePARS)

- **VA Salary**
- **Incentive pay (Z)**
- **Consulting per WU policy (paid/unpaid)**
  - NIH peer review
  - Guest lecturer
- **Patient Advocacy**
- **Community Service**
- **Paid Editor Positions**
- **Additional pay (on-call)**

Key Definitions

The following slides provide key definitions of effort reporting categories that should be used in allocating effort.

Organized Research

- **Research and development activities that are sponsored by federal agencies, non-federal organizations and industry.**

- **Includes training of individuals in research techniques (e.g.,NIH T-32 & F-32 projects).**

Organized Research, cont

- **Work on federal grants (NIH, NSF…)**

- **Work on non-federal grants (JDRF, AHA, Boeing…).**

- **Writing progress reports for existing projects.**

- **Holding a meeting with lab staff to discuss specific projects.**

- **Attending a scientific conference held by an outside professional society to present research results**

Department Research

- **General research support, including start-up funding and bridge funding that is not project oriented.**

- **Typically, department research support is paid from a pool and is not identified by project.**

Instruction

- **All teaching and training activities**
  - **Offered for credit towards a degree /certificate or on a non-credit basis**
  - **Offered through regular academic departments or separate divisions**

- **Excludes - supervision of residents enrolled in an ACGME accredited program (see separate GME category).**

Instruction, cont.

Teaching

- **Lecturing / tutoring**
- **Supervising independent study, laboratory course work**
- **Preparing for scheduled teaching**
- **Grading papers**

Course Development

- **Preparing for future courses**
- **Devising new instructional techniques**
- **Revising manuals, tapes, slides, etc.**

Patient Care

- **Clinical services** - rendered to individual patients that are normally eligible to be billed to patients or third parties (Part B).
  - Professional
  - Technical
  - Support staff services

- **Clinical trial activities** - testing of drugs and medical devices using human subjects (industry-sponsored).
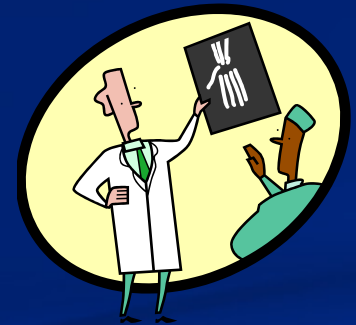
Graduate Medical Education (GME)

- **Supervision of residents** - activities related to the supervision of persons enrolled in ACGME accredited intern and residency programs.
  - Teaching of clinical procedures. Normally, the *extra time required* for any procedure or other patient interaction due to the supervision of the resident(s).
  - Grand rounds
  - Teaching conferences

Department Administration

- **Administrative and supporting services which benefit two or more departmental activities or objectives.**

- **Activity cannot be directly identified with an organized research project, instruction, patient care, hospital administration…**

Dept. Administration, cont.

- **Preparation of competitive grant proposals.**
- **Participation in school/dept committees**
- **Review of dept accounts and financial statements.**
- **Selection/training of *general* staff**
- **Selection/recruitment of faculty**
- **Planning for building projects or renovations**

Management of Hospital Services

- **Relates to the affiliation agreements and contracts with a specifically named hospital**
- **The University is providing faculty to:**
  - **Supervise hospital services**
  - **Serve on hospital committees**
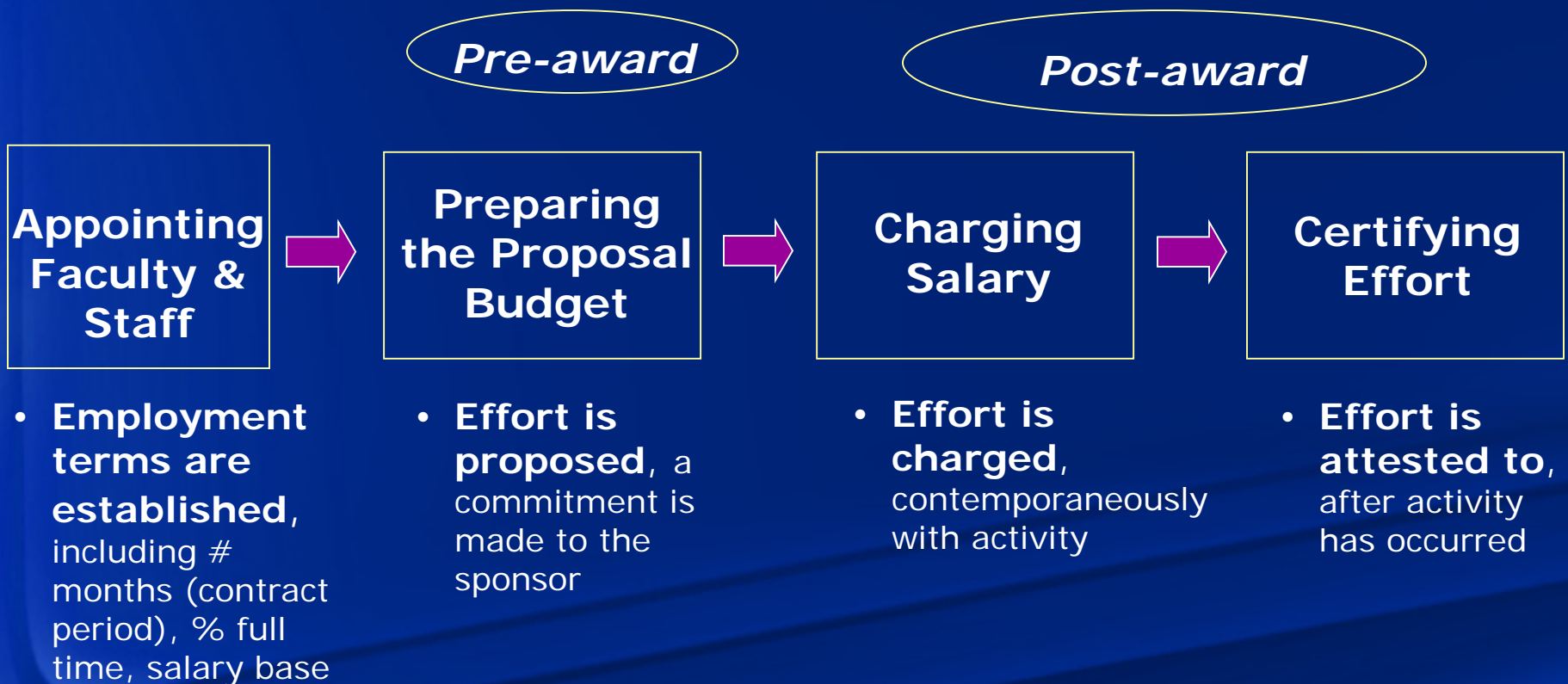 - **Provide other administrative and general patient services (Part A).**

Prior Approval

PI must seek and receive prior approval from the Federal agency before making the following project changes (OMB A-110):

– PI time devoted to project is **reduced by 25% or more** from the level in the approved application (e.g., new grant or additional clinical responsibilities)

– He/she relinquishes active direction of the project for more than **three months** (e.g., extended maternity/paternity leave)
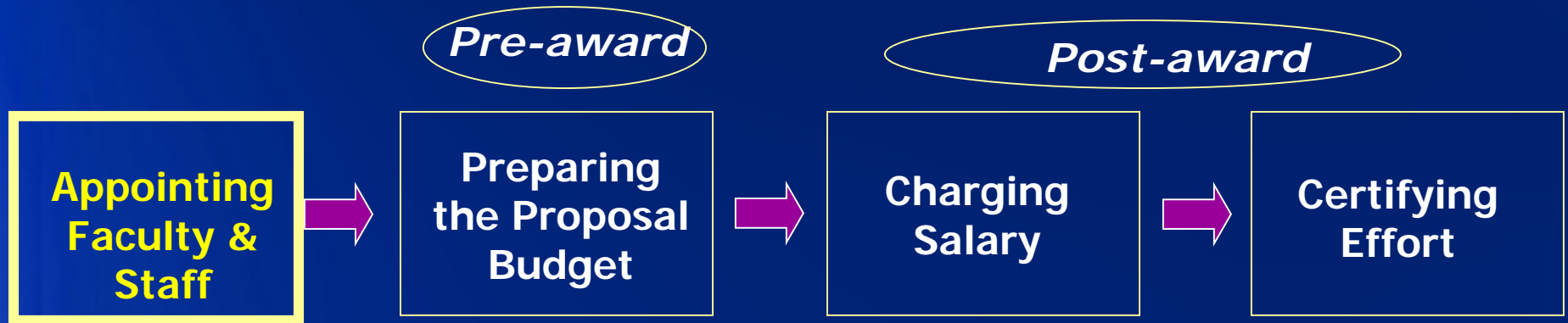
Implications of K Awards

- **Minimum level of effort, typically 75%**

- **Great for basic sciences, but in clinical departments, clinical effort MUST be reduced.**

- **Reduction of clinical effort = Reduction of clinical revenue.**

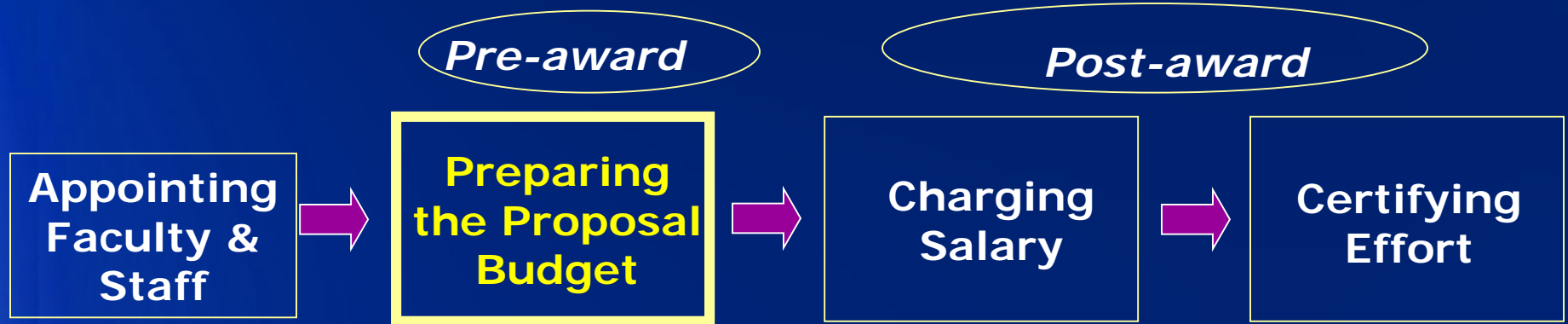- **Some other faculty member must pick up slack.**
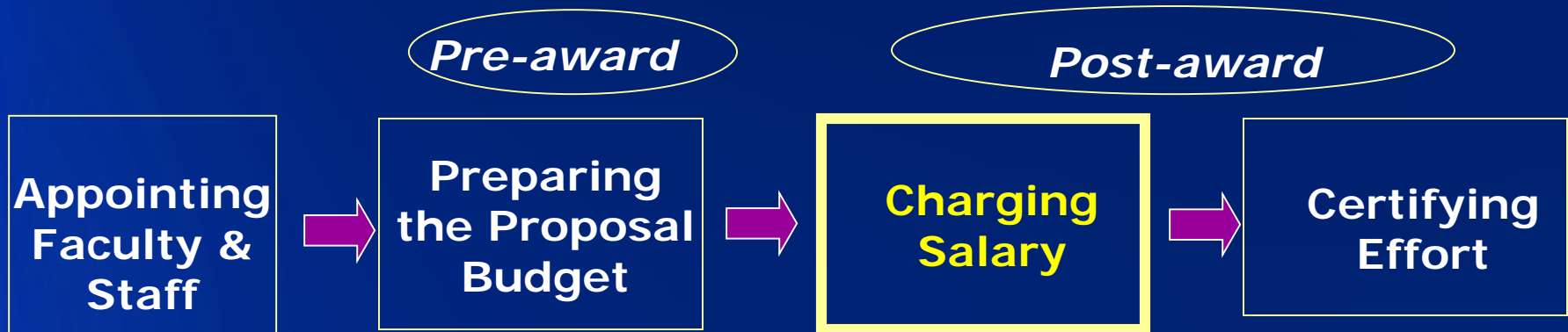
Effort Reporting Cycle

Pre-award

Post-award

| Appointing Faculty & Staff | Preparing the Proposal Budget | Charging Salary | Certifying Effort |

- **Employment terms are established**, including # months (contract period), % full time, salary base

- **Effort is proposed**, a commitment is made to the sponsor

- **Effort is charged**, contemporaneously with activity

- **Effort is attested to**, after activity has occurred

Appointments

Pre-award

Post-award

| Appointing Faculty & Staff | → | Preparing the Proposal Budget | → | Charging Salary | → | Certifying Effort |

- **Faculty appointment, as documented in the payroll (HRMS) system, denotes the individual's FTE and salary.**

Proposing Effort

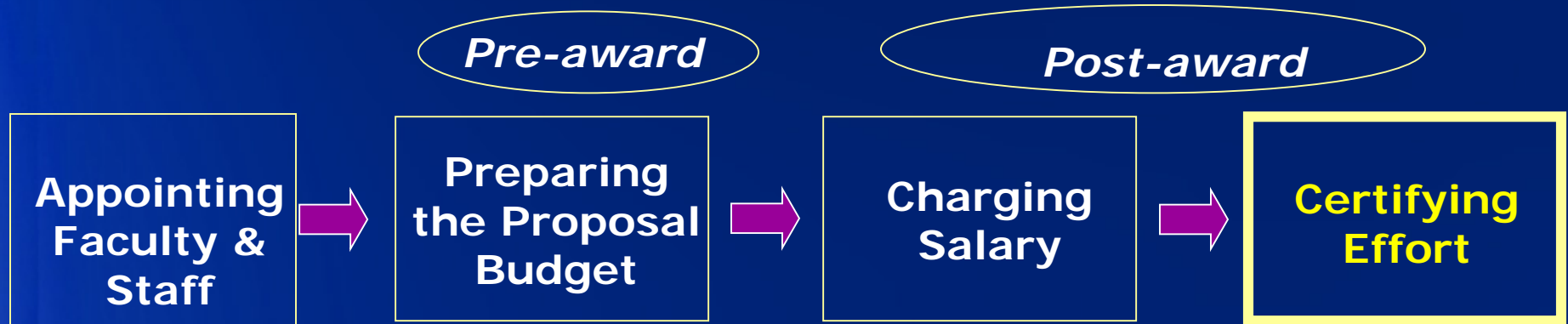Pre-award   Post-award

| Appointing Faculty & Staff | → | Preparing the Proposal Budget | → | Charging Salary | → | Certifying Effort |

- PI must have some level of proposed effort for **each** project.

- Proposed effort is a *commitment* to the sponsor that must be honored and tracked if awarded.

- Sum of effort for all WU activities, including awarded sponsored projects, must equal 100%.

Charging Effort

Pre-award

Post-award

| Appointing Faculty & Staff | → | Preparing the Proposal Budget | → | Charging Salary | → | Certifying Effort |

- **Salary charges should be posted to appropriate accounts** *as actual activity occurs*
- **Salary charges must be** *commensurate with actual effort expended*
- **Salary charged** *cannot be > actual work*

Certifying Effort

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          Pre-award              Post-award

┌─────────────┐   ┌─────────────┐   ┌─────────────┐   ┌─────────────┐
│ Appointing  │ ▶ │ Preparing   │ ▶ │ Charging    │ ▶ │ Certifying  │
│ Faculty &   │   │ the Proposal│   │ Salary      │   │ Effort      │
│ Staff       │   │ Budget      │   │             │   │             │
└─────────────┘   └─────────────┘   └─────────────┘   └─────────────┘
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- **Certification of activity should reflect actual effort, which should be based on effort commitments**

How do I certify effort?

- **Effort certification is completed via the ePARS system.**
  - **Electronic web-based effort reporting system (implemented in January 2009)**

  - **Available 24/7 via the ePARS Portal https://eparsprod.wustl.edu/ecrt/**

  - **Detailed system information and training materials available at ePARS website: http://epars.wustl.edu**

ePAR Example

ePAR Certification

- "I certify that the percentages noted on this page for the period shown indicate a reasonable approximation of the effort actually spent on the projects/activities listed."

- Legal document.

- Certification is required by Federal regulations and is subject to independent audit and review.

Changes to ePAR's

- **If the actual effort performed on a sponsored project differs from the percentage noted on the ePAR by:**
  - *0 to 5%*, **no adjustment to the figure is necessary.**

  - *>5%*, **the ePAR should be adjusted to reflect the correct effort percentage.**
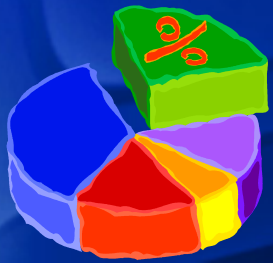
ePAR Support

- **Each department/division has a designated Effort Coordinator.**

- **Sponsored Projects Accounting (SPA) coordinates the timing, distribution and completion of effort reports. SPA provides institutional oversight for effort reports and maintains and monitors all aspects of the effort reporting system.**
  - **Contacts: Christal Zhu (5-8202)**
    Carla Reed (5-7939)

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Roles and Responsibilities

- **Faculty**: Reviews, adjusts (as necessary) and legally certifies the accuracy of employee ePARs.

- **Department Administrator**: Assists faculty in reviewing, adjusting and certifying (if the employee is not available) ePARs for appropriate project personnel.

Who Can Certify An ePAR?

- **Strongly recommend that each individual faculty or staff member certify their own ePAR.**

- **A supervisor or administrator (proxy) may certify the ePAR in the absence of the employee,**
  - **IF he/she has suitable means of verification.**

  - **Requires documented review by an individual, such as a PI, project manager, supervisor or an employee who has first hand knowledge that the work was performed.**

Reporting Periods

- **<u>Medical School Campus</u>**
  - Academic (all faculty), report semi-annually
    - January through June
    - July through December

  - Non-Academic (staff that work on sponsored projects), report quarterly
    - January through March
    - April through June
    - July through September
    - October through December

ePAR Timeline

- **Per the agreement with our federal cognizant agency (DHHS):**
  - **The ePAR must be certified by the faculty/staff member or their proxy within 30 days of the start of the certification period.**

Helpful Hints

The situations below require special attention:

- **100% on sponsored research projects**

- **Large clinical (RVU) activity *and* large research effort percentages**

- **Should include effort associated with administrative duties**
  - Preparation of competitive grant proposals
  - School/department committees
  - Selection of general staff, faculty and students

Effort Reporting Links

- **Effort Reporting Policy and Procedures**
  - https://financialservices.wustl.edu/wfin-topic/sponsored-projects-accounting/personnel-cost/effort-reporting/

- **ePARS Training**
  - https://epars.wustl.edu/

- **ePARS Portal**
  - https://eparsprod.wustl.edu/ecrt/

Real World Effort Example
- WUSM -

The Dilemma

- **Full-time WUSM Faculty**
- **Active Clinician**
- **Consultant**

Dr. Jane Doe

Dr. Jane Doe – WUSM Effort

CENTER FOR ADVANCED MEDICINE
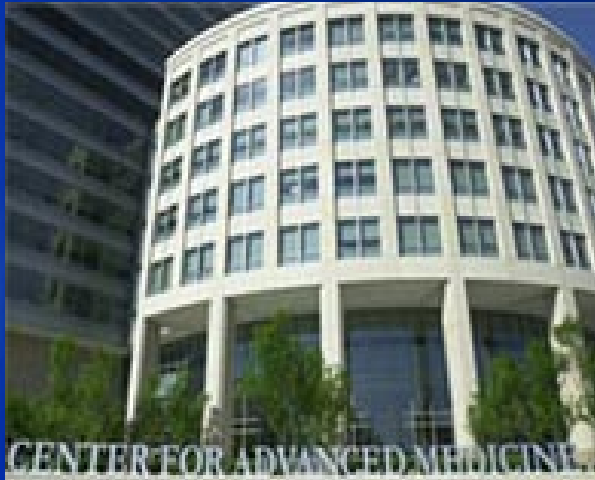
- **Teaches One Class = 6**
- **Serves on IRB = 5**
- **Grant Proposals = 5**
- **NIH RO1 Grant = 15**
- **NIH RO3 Grant = 10**
- **<u>Patient Care/Clinical = 30</u>**

Total hrs/wk = 71

Dr. Jane Doe – Consultant Effort

- **Head of R&D for a University-Funded Start-Up Company**
- **14 Hrs/Wk**

Consulting Considerations

- **WUSM allows faculty to consult one day/wk.**

- **WUSM does not include consulting in the faculty appointment letter and does not pay consulting salary.**

- **WUSM *does not* include consulting effort in the ePAR.**

Dr. Jane Doe – Total Effort

WUSM	Instruction: 6 hrs	7%
	Dept. Admin: 10 hrs	12%
	Research: 25 hrs	29%
	<u>Patient Care: 30 hrs</u>	<u>35%</u>
	Subtotal -	
	WUSM: 71 hrs	83%
<u>Consulting</u>	<u>14 hrs</u>	<u>17%</u>
Total Effort	<u>85 hrs</u>	<u>100%</u>

Dr. Jane Doe – Reportable Effort (excludes *Consulting*)

WUSM	Instruction: 6 hrs	9% (7%)
	Dept. Admin: 10 hrs	14% (12%)
	Research: 25 hrs	35% (29%)
	Patient Care: 30 hrs	42% (35%)
	Subtotal - WUSM: 71 hrs	100% (17%)
~~Consulting~~	~~(14) hrs~~	0%
Reportable Effort:	71 Hours	100%

Report a Concern or Violation

- **Institutional Officials for Research and Financial Compliance**
  - **Jennifer K. Lodge, Ph.D.** – Vice Chancellor for Research, (314) 747-0515
  - **Amy B. Kweskin** – Vice Chancellor for Finance and CFO, (314) 935-9018

- **University's Compliance Hotline**
  - (314) 362-4998
  - Reports can be made anonymously
  - No caller ID or number recognition

Contacts

- **Joseph M. Gindhart – Associate Vice Chancellor for Finance and Sponsored Projects**
  - **jgindhart@wustl.edu**
  - **314-935-7089**

- **Denise A. McCartney, Associate Vice Chancellor for Research Administration**
  - **mccartnd@wustl.edu**
  - **314-747-6253**