Effort Reporting Research Compliance Plan
Office of Research Compliance

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Last Revised July 2009
**Introduction**

The mission of Weill Cornell Medical College (WCMC) and its faculty is to promote initiatives committed to advancing the highest standards of ethics, integrity, honesty and compliance with all applicable laws, regulations and policies governing research. WCMC strives to promote the best practices and ethical behavior as well as to deter activity contrary to these standards by anticipating risk, encouraging strong stewardship and accountability at all levels, in collaboration with institutional colleagues responsible for compliance implementation.

WCMC recognizes the importance of a comprehensive effort reporting compliance plan for the management of research. Due to researchers’ multiple responsibilities, the accurate reporting of the time and effort spent on a project has been identified as a risk factor. Most researchers have teaching, clinical, research, and/or grant-writing obligations. It is important, therefore, that researchers monitor exactly how much time they spend on each project. These responsibilities must be fulfilled in a manner that stands a test of reasonableness.

As a recipient of significant sponsored funds, WCMC must assure federal and other sponsors that the assignment of effort to projects they sponsor is fair, consistent, and timely. A culture of compliance begins with a culture of understanding, and an effective culture of compliance must be a cooperative one.

The goals and objectives of the Compliance Plan are as follows:

1. Provide oversight
2. Establish and Enforce Uniform Standards Including Well-publicized Disciplinary Guidelines via the Policy and Procedure on Effort Reporting
3. Web-based Training and Education and Required Training and Education
4. Ongoing Audit Requirements and Standardized Audit Process
5. Department Submits Quarterly and Annual Reports to Office of Research Compliance
6. Office of Research Compliance Submits Summary Report to Executive Team
7. Investigations As Needed Coordinated and Systematic
8. Create Corrective Action Plan & Implement
Scope

The provisions of this Plan apply to all WCMC faculty and staff. This plan applies to the percentage of time spent towards particular WCMC work-related activities, such as sponsored and non-sponsored projects, instruction, proposal preparation, or other administrative duties. Additionally, the principles and practices embodied in the Plan should guide the actions of employees at affiliated institutions that are involved in any aspect of effort reporting, including post-graduate trainees, at WCMC.

III. Compliance Oversight and Administrative Responsibility

The position of Assistant Dean of Research Compliance, reports directly to the Senior Executive Vice Dean. The Office of Research Compliance will have oversight over the following activities;

A) Provide oversight, expertise and coordinate information to facilitate compliance with effort reporting requirements
B) Develop and implement effort reporting policies and procedures
C) Interprets and provides guidance on laws, rules and regulations
D) Monitor compliance with reporting requirements
E) Provide training on effort reporting policies and procedures
F) Investigate measures to correct situations where audit reports were not submitted when required

The Research Compliance Office shall work closely with representatives of the Departments and any entities or individuals who are involved with effort reporting.

Each Department will appoint a Compliance Officer/Liaison to serve as a resource to enhance the implementation of the effort reporting policy and procedure. They will have functional reporting responsibility to the Office of Research Compliance in the assessment and monitoring of effort tracking. The Compliance Officers/Liaisons will also develop and implement tailored corrective action plans, and ensure required compliance education is completed.
Standards

The Research Compliance Plan For Effort Reporting was written in accordance with the Weill Cornell Medical College Effort Reporting Policy and Procedure included below:

Time and Effort Reporting: Policy

Policy Sections
- Policy Statement
- Reason for Policy
- Who Should Know This Policy
- Contacts
- Applicable WMC Policies
- Applicable Federal Regulations & Criteria
- Treatment of Specific Types of Costs
- Roles & Responsibilities
- Procedures
- Forms/Instructions
- Frequently Asked Questions
- Definitions

Last Revised: November 2007

Responsible College Officer
Associate Controller for Research

Responsible Office
Indirect Cost

Policy Statement

The purpose of the Time and Effort Reporting Policy is to set forth the policy and procedures that WMC employees must follow in order to comply with the salary allocation requirements of OMB Circular A-21 and other applicable sponsor requirements.

Reason for Policy

As a recipient of Federal research funding, the Weill Medical College of Cornell University (“WMC”) is subject to financial accounting and reporting obligations designed to ensure that the charges to its Federal sponsored projects are allowable and properly allocable to those projects. Among these obligations is the requirement to maintain a salary allocation system that complies with the provisions of OMB Circular A-21, “Cost Principles for Educational Institutions”.
Who Should Know This Policy

- Dean
- Senior Administration – Vice Provosts, Associate Deans
- Director, Department Chair, Division Head
- Faculty
- Departmental/Divisional Administrators
- Finance Personnel – Research Accounting, Accounting Services
- Grants & Contracts Personnel
- Research Compliance Personnel
- Research Integrity Personnel
- All Employees
- Information Technology Personnel
- Human Resources Personnel
- Students

Contacts

<table>
<thead>
<tr>
<th>Subject</th>
<th>Contact</th>
<th>Phone</th>
<th>E-mail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy questions</td>
<td>Kevin McGrath</td>
<td>(212) 680-7125</td>
<td><a href="mailto:kjmcgra@med.cornell.edu">kjmcgra@med.cornell.edu</a></td>
</tr>
<tr>
<td>Effort questions</td>
<td>Richard Weisenmuller</td>
<td>(212) 680-7126</td>
<td><a href="mailto:rjweisen@med.cornell.edu">rjweisen@med.cornell.edu</a></td>
</tr>
<tr>
<td>Institutional research compliance issues</td>
<td>Barbara Pifel</td>
<td>(212) 821-0722</td>
<td><a href="mailto:blp2001@med.cornell.edu">blp2001@med.cornell.edu</a></td>
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</table>

Applicable WMC Policies

- Cost Sharing Policy and Procedures
- Charging of Direct Costs to Sponsored Projects: Policy
- Cost Transfers on Sponsored Projects: Policy

Applicable Federal Regulations & Criteria

We are given funding from the Federal government with specified terms and conditions, including a requirement that WMC comply with applicable principles on charging costs to Federal projects. The primary source of these cost principles is Office of Management & Budget ("OMB") Circular A-21, entitled "Cost Principles for Educational Institutions". Section J.10 of OMB Circular A-21, "Compensation for Personal Services", requires WMC to establish and maintain a payroll distribution system that reasonably distributes salary charges among direct activities, such as sponsored research, teaching and clinical activity. The basic requirement of the Federal cost principles is that salary charges on sponsored projects must be proportionate to the effort expended on those projects, as documented in periodic effort certifications. At WMC, we fulfill that requirement through reasonable monitoring of salary allocations to Federal projects and through the preparation, review and certification of Time and Effort reports.
Effort Reporting Policy

- All employees who are involved in allocating salaries to sponsored projects or completing Time and Effort reports are responsible for understanding the principles of accurate time and effort reporting and salary allocation.

- All departments must ensure that initial allocations of salaries to sponsored projects are reasonable in relation to the expected effort of the employees whose salaries are being allocated, and that such allocations are monitored and adjusted where necessary to reflect significant changes in employee effort.

- The 98% Rule: Given that most faculty members have responsibilities for teaching, administration, or patient care, it is typically not feasible for them to charge 100% of their salary or certify 100% of their effort to sponsored research. Effort allocated to sponsored research must not exceed 98%. In general, faculty members will not be permitted to charge or certify 100% effort to sponsored research activities. Rare exceptions to this may include faculty who have no other teaching, clinical, or administrative responsibilities. Administrative responsibilities include new proposal preparation, service as departmental chair/division head/director, and service on department/division/College committees. As a result, there are very few instances, if any, in which a faculty member can justifiably be 100% committed to sponsored programs. At the proposal stage, department administrators and faculty must review proposed sponsored effort to assure that what is proposed is feasible considering other activities required of the faculty member. Department administrators and faculty must also review the faculty member’s certified effort statement to ensure it accounts for all activities. On a case-by-case basis, the Director of Research Compliance will review the justification for exceptions and the effort commitments of highly committed faculty and will consult with the Executive Administrative Compliance Coordinating Team.

- All departments must complete and submit Time and Effort reports on a timely basis and in the correct format for all employees who are subject to time and effort reporting requirements.

- All Time and Effort reports must meet the standards of accuracy set forth in applicable Federal cost principles.

- All adjustments to prior salary allocations that are necessary as a result of a completed Time and Effort report must be made in a timely and accurate manner.

Compliance with this policy is very important, because it is a legal obligation imposed on WMC by Federal regulations and by the terms and conditions of our sponsored projects.
## Roles & Responsibilities

<table>
<thead>
<tr>
<th>Responsibilities</th>
<th>PI</th>
<th>Dept Admin</th>
<th>Dept/Div Chair</th>
<th>Research Compliance</th>
<th>G&amp;C Office</th>
<th>Finance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribute effort reports to departments manually</td>
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<td></td>
<td>P</td>
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<tr>
<td>Distribute effort reports locally to investigators</td>
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<tr>
<td>Complete effort report</td>
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<tr>
<td>Track current and pending effort commitments</td>
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<tr>
<td>Provide information to facilitate compliance with effort reporting policy</td>
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<td>P</td>
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<tr>
<td>Provide local oversight for effort certification</td>
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<td>Collect and maintain official records of effort reporting</td>
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<tr>
<td>Ensure compliance with effort reporting policy</td>
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### KEY

- **P** = PRIMARY RESPONSIBILITY
- **S** = SECONDARY RESPONSIBILITY
- **O** = INSTITUTIONAL OVERSIGHT
- **O - L** = LOCAL OVERSIGHT
- **I** = PROVIDE INPUT

### Procedures

*Time and Effort Reporting: Procedures*

### Forms/Instructions

*Personnel Action Form*

### Frequently Asked Questions
Question 1: What is effort reporting?
- WMC uses Time and Effort reports to document that the compensation charges to its sponsored projects are appropriate.
- For example, if WMC is charging 50% of an employee’s Institutional Base Salary (IBS) to a sponsored project, WMC must be able to document that the employee is devoting at least 50% of his or her Total Effort to that same project. The employee’s certified Time and Effort report provides the required documentation for those charges.

Question 2: If effort reporting is used to document compensation charges to sponsored research projects, why are other kinds of activities reflected on my report?
- Applicable regulations require that Time and Effort reports reflect the total activity within the scope of an employee’s Institutional Base Salary. Time and Effort reports must therefore capture not only activity on sponsored research projects but also other work including teaching or administration.
- Only by capturing all of an employee’s IBS-compensated activity can a Time and Effort report accurately reflect the proportion of an employee’s time spent on a particular sponsored project, and the percentage of IBS that should be allocated to that project.

Question 3: Why are Time and Effort reports important?
- It is a legal requirement that WMC maintain a compliant payroll distribution system.
- A compliant Time and Effort reporting system is therefore a prerequisite to receiving Federal funding.
- Compensation charges typically comprise the most significant direct cost component of a sponsored research project. It is therefore very important that WMC be able to support such charges. Time and Effort reports assure external research sponsors that their funds are being expended appropriately, i.e., solely for effort devoted to the sponsored project.

Question 4: Why is effort calculated on a percentage basis?
- Effort is calculated on a percentage basis because the government recognizes that different institutions have different policies with respect to the scope of their employees’ duties. That is to say, 100% effort does not equate to any set number of hours. Using a percentage basis method allows an employee to estimate the amount of effort devoted to a particular sponsored project as a percentage of all of his or her activities and allows for a work schedule that is greater than or less than 40 hours per week.
## Definitions

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tbody>
<tr>
<td><strong>Actual Effort</strong></td>
<td>The time that an employee actually devotes to a particular sponsored project (including time pledged to a sponsor as Mandatory or Voluntary Committed Cost Sharing) or other WMC activity, expressed as a percentage of Total Effort.</td>
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<tr>
<td><strong>Committed Effort</strong></td>
<td>The amount of effort proposed in a grant or other project application and accepted by a sponsor, regardless of whether salary support is requested for the effort. For example, if an NIH grant application proposes that an employee will devote 30% of his or her effort to the grant, with salary support for 10% of effort, the Committed Effort for that employee is 30%.</td>
</tr>
<tr>
<td><strong>Cost Sharing</strong></td>
<td>The portion of the total project costs of a sponsored project that is borne by WMC rather than the sponsor. (Cost Sharing is sometimes referred to as “Cost Matching”.)</td>
</tr>
<tr>
<td><strong>Faculty Practice</strong></td>
<td>Time spent preparing for, providing, and following up on the clinical care needs of patients through the Weill Cornell Physician Organization, other than Research Patient Care. Examples include actual treatment of patients, reviewing medical records, charting patient treatments, ordering and reviewing tests and consultations, consulting with colleagues on patient care issues, or supervising residents or medical students while providing clinical care.</td>
</tr>
<tr>
<td><strong>Institutional Base Salary (IBS)</strong></td>
<td>The annual compensation that WMC pays for an employee's appointment, whether that employee’s time is spent on research, teaching, administration, or other activities. However, at WMC, historically, IBS has specifically excluded supplemental compensation paid in connection with Faculty Practice activities coded as “612x” and paid from a “9” account. Likewise, IBS excludes compensation for an employee’s outside consulting activities and other compensation received from an entity other than WMC.</td>
</tr>
<tr>
<td><strong>Mandatory Cost Sharing</strong></td>
<td>Cost Sharing required by a sponsor as a condition of obtaining an award. Mandatory Cost Sharing is a binding commitment on WMC, and any employee effort that is expended in satisfaction of the commitment must be accounted for in accordance with this policy.</td>
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<tr>
<th>Term</th>
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<tr>
<td>NIH Salary Cap</td>
<td>Federally mandated limitation on the amount of salary that may be charged to NIH sponsored grants, cooperative agreements, and applicable contracts. The NIH Salary Cap establishes a maximum annual rate at which an employee can be compensated under an NIH sponsored project. For example, if an employee spending 50% of his or her effort on an NIH grant has an actual IBS of $200,000, and the NIH Salary Cap is $183,500, the appropriate IBS charge to NIH for the employee’s effort would be 50% of $183,500, or $91,750. The $8,250 difference between this amount and the $100,000 that would have been chargeable at the full IBS rate may not be charged to any Federal project or used to satisfy Cost Sharing commitments.</td>
</tr>
<tr>
<td>Research Patient Care</td>
<td>Clinical patient care that is solely rendered per the requirement of a clinical research protocol and would not have been required or provided but for that research. Patient care that is part of the normal standard of care, even if provided to a research subject, is included in Faculty Practice.</td>
</tr>
<tr>
<td>Time and Effort Report</td>
<td>A certified form used by WMC to document the proportion of Total Effort devoted by an employee to each activity with which he or she is involved, including sponsored projects, administration and teaching. This document becomes WMC’s official verification that the IBS charged to a sponsored project is consistent with the Actual Effort expended on the project. The sum of all reported Actual Effort percentages on the Time and Effort report represents the employee’s Total Effort. By definition, Total Effort must always equal 100% -- never more or less. *WMC’s supplemental compensation plan is currently under review to ensure that it complies with the provisions of OMB Circular A-21, “Cost Principles for Educational Institutions”.</td>
</tr>
<tr>
<td>Total Effort</td>
<td>The effort that the employee devotes in the aggregate to the professional activities for which he or she receives IBS compensation from WMC. Specifically excluded from Total Effort is time spent on (a)** Faculty Practice activities through the Weill Cornell Physician’s Organization for which supplemental compensation coded “612x” is received from a “9” account, and (b) outside consulting activities or other activities for which compensation is received from an entity other than WMC. **It is important to note that this does not include any “fixed” supplemental income, which must be included in computing “total effort”.</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
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<tr>
<td>Voluntary Committed Cost Sharing (VCCS)</td>
<td>IBS that is associated with Committed Effort in excess of effort for which salary reimbursement is requested. VCCS can occur in one of two ways: (a) through a proposal in which Committed Effort is greater than the effort for which salary support is requested (for example, where a WMC proposal promises Committed Effort of 30% for an employee, but requests only 10% salary support); or (b) by actually charging the sponsor for less than all of the Committed Effort actually expended (for example, where the proposal contains Committed Effort of 30% and requests full salary support of 30%, and the Actual Effort is 30%, but the grant is only charged for 10% of IBS). VCCS does not include voluntary effort that is in excess of Committed Effort, and for which no salary support is requested or claimed. For example, if a WMC proposal contains Committed Effort of 30% and requests full salary support of 30%, but 40% effort is actually provided and the sponsor is not charged for the additional 10% effort, the 10% does not represent VCCS.</td>
</tr>
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Time and Effort Reporting: Procedures

Procedure Sections
- Procedure Statement
- Procedure Requirements
- Summary of Effort Reporting Procedures
- Who Must Complete a Time and Effort Report?
- Salary Allocations Prior to Completion of Time and Effort Report
- Generating, Reviewing and Completing Time and Effort Reports
- Effort Examples

Procedure Statement

The purpose of the Time and Effort Reporting Procedures is to explain the procedures used at WMC to carry out the Time and Effort Reporting Policy.

Procedure Requirements

Failure to comply with these procedures can result in serious adverse consequences to both WMC and its employees. All employees who are subject to time and effort reporting requirements, or who are responsible for implementing any part of the time and effort reporting system, are therefore expected to review, understand, and comply fully with the procedures in this section. Any questions concerning these procedures should be directed to WMC’s Associate Controller for Research.

Summary of Effort Reporting Procedures

WMC’s time and effort reporting procedures cover the following aspects of the salary allocation process.

- Initial allocations of salary to sponsored projects;
- Interim adjustments of salary allocations (after the initial allocations and prior to the completion of Time and Effort reports); and
- Completion of Time and Effort reports, and adjustments to salary allocations based on those reports.

Who Must Complete a Time & Effort Report?

Employees who meet either of the following criteria must complete a Time and Effort report:

- The employee’s salary is charged in whole or in part directly to a sponsored project.
• The employee expends Committed Effort on a sponsored project, even though no part of the employee’s salary is charged to the project.

Salary Allocations Prior to Completion of Time and Effort Report

Entry of salary information into the payroll distribution system:

The first step in the salary allocation process is for the designated departmental administrator to input into the payroll distribution system, either electronically or manually through an approved Personnel Action Form, the projected salary allocations for each employee in the department who will be required to complete a Time and Effort report. These projected salary allocations should be reviewed and approved by the Principal Investigator(s) to ensure that they are consistent with the expected chargeable effort to be expended on the project. Projected salary allocations for a given project are normally based on the approved budget for the project, subject to any special adjustments that may be appropriate.

Salary allocations must total 100%:

The projected salary allocations entered into the payroll distribution system must total 100%. In other words, 100% of an employee’s IBS must be allocated to WMC accounts (department operation accounts and/or research accounts).

Adjustments to salary allocations based on significant changes in circumstances:

From time to time it may become necessary to make adjustments to an employee’s projected salary allocations and/or level of effort. For example, if a Principal Investigator who is devoting 20% of his or her Total Effort to a sponsored project and 80% of his or her Total Effort to other duties becomes involved in another grant at a 10% level of effort, some adjustments will be necessary in order to ensure that the PI’s Total Effort does not exceed 100%. Such adjustments might involve reducing effort on the existing grant (subject to sponsor approval, if necessary) or spending less time on non-sponsored research activities, or both. If these effort adjustments are significant, the salary allocations for the employee will have to be changed to reflect the adjustments in effort.

Adjustments to salary allocations based on review of quarterly reports:

For the salary allocation reports covering the quarters ending in September, December and March of each year, if the salary allocation percentages on the reports differ by more than 10% from Actual Effort, an adjustment should be made through a Personnel Action Form. For example, if the reported salary allocation percentage for a Federal sponsored project is 30%, and Actual Effort for the quarter is known to be more than 33% or less than 27%, an adjustment would be required in order to align the salary allocation more closely with Actual Effort. Note that this 10% “margin of error” rule applies only to the reports covering the quarters ending in September, December and March, which do not have to be certified. Federal guidelines and WMC policy recognize that the activities that constitute effort are often difficult to separate. Effort certification must often rely on a reasonable estimate of effort, and when estimating, a degree of tolerance is appropriate. The certified annual Time and Effort report, distributed at the end of the quarter ending in June, must be accurate to the best of the knowledge of the employee completing the report, and if there is any unjustified discrepancy between the certified Actual Effort on a sponsored project and the percentage of salary allocated to the project, then an appropriate adjustment must be made to the salary allocation.

Grant budget periods vs. quarterly or annual report periods:
It is important to keep in mind that Committed Effort, Actual Effort, and salary allocations are frequently tracked over different time periods. Compliance with Committed Effort for a sponsored project is measured over an entire grant budget period, typically one year, which may or may not coincide with the fiscal year over which Actual Effort is measured. For example, an employee who has committed 30% effort to a Federal project during a calendar year budget period could meet that commitment by expending 40% effort during the first six months of the budget period and 20% effort during the second six months. However, the calendar year grant budget period would span two different annual Time and Effort report periods. Therefore, the Actual Effort recorded in each period should reflect the fact that twice as much effort was expended in the first period as in the second. Similarly, in reviewing quarterly salary allocation reports, it would be necessary to adjust salary allocations to the approximate level of the Actual Effort expended during the quarter – not the average level of effort to be expended over the grant budget period. Specifically, in the example, it would not be permissible to allocate salary at a constant 30% rate for all four quarters of the grant budget period, since Actual Effort is substantially greater for the first two quarters and substantially less for the last two.

Form of adjustment:

Adjustments to the salary allocations may be made either electronically or manually. If made manually, adjustments must be based on approved Personnel Action Forms.

Relationship of salary and effort allocations:

As stated above, salary allocations to sponsored projects are normally based on approved project budgets. The percentage of an employee’s salary allocated to a Federally sponsored project for an annual effort reporting period should never be greater than the employee’s Actual Effort on the project during the reporting period. For quarterly reporting periods, however, small differences between salary allocation percentages and Actual Effort percentages may be tolerated. (See Adjustments to salary allocations based on review of quarterly reports above.)

In certain circumstances, the salary allocation percentage for a quarterly or annual effort reporting period may be less than the Actual Effort percentage. See Generating, Reviewing and Completing Time and Effort Reports below.

Generating, Reviewing and Completing Time and Effort Reports

Generate Time and Effort reports:

Following the quarter ending in June of each year, WMC’s payroll distribution system generates Time and Effort reports, which are distributed to each WMC department. The reports indicate salaries allocated to all research, teaching, administration, and other activity compensated by the employee’s Institutional Base Salary.

For each category of activity the Time and Effort reports contain the following columns:

1. Account Number
2. Description of Account
3. Salary/Wage, Fiscal Year To Date
4. Salary/Wage With Cost Sharing, Fiscal Year To Date
5. Salary/Wage as a % of Total Salary/Wage
6. Actual Effort %

The entries in the first five columns are pre-printed, based on data from the payroll distribution system and other sources. (Note: Columns 3 and 4 will contain identical entries if there is no
Mandatory or Voluntary Committed Cost Sharing, or if this cost sharing data is not entered into the time and effort system. Whether or not Mandatory or Voluntary Committed Cost Sharing is reflected in Column 4, the employee completing the report must include Mandatory or Voluntary Committed Cost Sharing in Column 6, Actual Effort %.)
Reviewing and completing Time and Effort reports:

After reviewing the Time and Effort report, the employee completing the report must manually fill in the “Actual Effort” column for each account, based on his or her best reasonable estimate of how much effort was actually devoted to the project or account. When completing the Time and Effort report, each employee should enter into Column 6 (Actual Effort %) the percentage of effort actually expended on each project, whether or not that percentage corresponds to the pre-printed entries on the form. The pre-printed entries are for information only and may not reflect Actual Effort.

If an account is not pre-printed on the list of accounts and it should be included on the Time and Effort report for the period, the account must be added to the list. The employee completing the report should manually fill in the proper account number on the blank lines below the account listing and enter the percentage of effort expended on that missing project.

The following are reasons why the pre-printed percentages for a sponsored project may be different from the Actual Effort actually expended during the reporting period:

- The salary allocations in the payroll distribution system, which are based on before-the-fact estimates and projections, may have underestimated or overestimated Actual Effort during the period.

- Mandatory or Voluntary Committed Cost Sharing may have occurred, causing the percentage of salary allocated to a project to be less than the Actual Effort on the project.

- If the salary entered into the payroll distribution system for an NIH project was based on the NIH Salary Cap, and actual IBS was higher than the cap, then the salary allocation percentage for the project will be less than the Actual Effort expended on the project. (For example, if an employee’s actual IBS is $200,000 and the NIH cap is $183,500, then 50% effort on the NIH project by the employee would result in a charge to the project of $91,750, which is only 45% of IBS. The pre-printed salary allocation percentage on the report form would be 45% in this case, whereas the Actual Effort percentage that should be filled in on the report is 50%.)

The total amount in the Actual Effort column (Column 6) is Total Effort and must by definition be equal to 100%. Neither more nor less is permissible.

Certifying the Time and Effort report:

Because WMC utilizes a Plan Confirmation system to meet its salary allocation compliance obligations, the reports for the quarters ending in September, December and March are for informational purposes only and need not be signed and certified. The Time and Effort report distributed after the quarter ending in June, however, constitutes WMC’s required annual certification of employee effort and therefore the certification must be signed.

WMC requires that each faculty member sign his or her own certified Time and Effort report. In extraordinary circumstances (such as the absence of a faculty member on sabbatical leave or extended leave), the Principal Investigator, if he or she has a suitable means of verification of the faculty member’s actual activity during the covered period, may sign on behalf of a faculty member.

For WMC employees who are not faculty members, it is in the discretion of each department to determine who will sign the employee’s certified Time and Effort report. It may be the employee, the Principal Investigator, a supervisor or administrator, or another knowledgeable individual, but
in every case the person signing the report must have suitable means of verification that the salary allocation is reasonable in relation to the work performed.

The certification on the Time and Effort report reads as follows:

“I HEREBY CERTIFY THAT THE DISTRIBUTIONS OF ACTIVITY REFLECTED ON THIS REPORT REPRESENT A REASONABLE ESTIMATE OF THE ACTUAL WORK PERFORMED DURING THIS PERIOD.”

By signing a Time and Effort report, a WMC employee certifies that the Actual Effort entered on the Time & Effort report reflects a reasonable estimate of the actual work performed.

Adjustments to salary allocations based on certified Time and Effort reports:

Completed Time and Effort reports are returned to the Associate Controller for Research through the designated departmental administrator.

If the percentage of an employee’s salary allocated to any sponsored project exceeds the employee’s Actual Effort as certified on his or her Time and Effort report, the salary allocation must be reduced accordingly, so that it is consistent with Actual Effort. Adjustments to the salary allocations made after effort certification may be done either electronically or manually by the departmental administrator. If made manually, adjustments must be based on approved Personnel Action Forms.

If an employee’s Actual Effort allocated to a sponsored project exceeds the percentage of salary allocated to the project, then normally an adjustment should be made to increase the salary allocation accordingly, unless:

- The difference between the salary allocation percentage and the Actual Effort is attributable to Mandatory or Voluntary Committed Cost Sharing or the NIH Salary Cap, as discussed above, or

- Such a salary allocation adjustment is precluded by grant limitations, rules on late cost transfers, or other special considerations. In such cases, steps must still be taken to ensure that none of the Actual Effort attributable to the sponsored project in question is charged to any other sponsored project.

Changes to previously certified Time and Effort reports:

In limited circumstances, it may be necessary to make retroactive adjustments to certified Time and Effort reports. Any such adjustments must be properly justified and documented by the PI or departmental administrator and specifically approved by the Associate Controller for Research. The justification and documentation must show why the original Time and Effort report was in error, and must validate the new Actual Effort percentage. Documentation should include an updated Personnel Action Form as well as the revised effort report, and the justification for the revision should be written directly on the effort form.

Effort Examples

Example 1: Calculating Effort
- Dr. A is budgeted to devote 75% of her Total Effort to an NIH project and is paid from the grant at that rate.
• She puts in 30 hours a week on the project, but also spends 20 hours a week on her teaching and administrative responsibilities.
• 30 hours is 75% of a 40 hour week, so on her Time and Effort report she enters 75% as her Actual Effort on the NIH project. Is that correct?
• NO!!!! Her Actual Effort is 60% (30/50)! It is not permissible to calculate Actual Effort percentages on the basis of a 40-hour work week or any other "standard" work week – Actual Effort must always be calculated and expressed as a percentage of Total Effort.

Example 2: Support from WMC, NIH and Supplementary Compensation
• Dr. B spends 40 hours a week devoted to NIH funded research, 10 hours a week on Faculty Practice, and 5 hours a week on teaching and administrative responsibilities.
• Salary for Faculty Practice is paid to Dr. B as supplementary compensation.
• Dr. B should certify that 90% of her Total Effort is devoted to the NIH grant and 10% is devoted to teaching and administrative responsibilities; Faculty Practice activity is not part of Total Effort.

Example 3: Effort on Awards and Clinical Trials
• Dr. C has three NIH grants from which he derives 100% of his salary.
• In addition, he is the PI on eight industry-sponsored clinical trials at 0% effort.
• Dr. C also serves as a Division Director.
• If you were an auditor would you view charging 100% of Dr. C's salary to Federal grants as reasonable?
• NO!! Some Actual Effort must be assigned to Dr. C’s non-NIH grant activities.

Example 4: External Consulting
• Over the course of a week, Dr. D usually works on WMC business, 34 hours during the day (M-F) and 10 hours on nights and weekends.
• He spends about 6 hours each Monday consulting for an outside entity, and receives pay directly from that outside entity for this service.
• Dr. D averages 11 hours per week on NIH grant activities.
• Dr. D's Total Effort equals 44 hours.
• His NIH grant(s) may be charged 11/44, or 25%, of his IBS for the period.

Example 5: Editorships
• Dr. E serves as a journal editor, for which she receives no compensation from the journal and spends on average 8 hours per week.
• No WMC funds are used to support the journal activities and none of Dr. E’s journal-related expenses are reimbursed by WMC, although her administrative assistant is compensated by funds made available to WMC by the journal.
• Dr. E may consider the time she spends with the journal as outside consulting, and does not have to include this effort in determining the overall hours that form the denominator (Total Effort) of her Actual Effort calculation.

Example 6: Adjusting Effort Due to New Awards
• Dr. F works 60 hours per week: 15 on an NIH grant and 45 hours on other WMC activities. His Actual Effort for this grant was 25% (15/60), consistent with the requested and funded amount.
• He then receives a second NIH award that provides support for 20% effort.
• Dr. F continues to expend 15 hours on the first grant and 45 hours on other professional activities, but now also devotes 15 hours per week to the second grant.
• The Actual Effort on Grant #1 should be reduced from 25% to 20% (15/75).
  o Note: NIH requires grantees to obtain prior approval if the PI or another of the “key personnel” named in the grant award reduces his or her effort by 25% or more (e.g., reducing effort from 40% to 30% or less).
In this example, even if Dr. F is the PI or one of the other “key personnel” named in the grant award, the reduction in his effort for the grant period need not be reported to NIH since it is less than 25% (the reduction from 25% to 20% represents only a 20% reduction, and since it occurred in the middle of the budget period for the grant, the reduction over the entire grant budget period will be even less than 20%).

**Example 7: Scientific Meetings**
- Dr. G attends three different scientific meetings which cause Dr. G to be away for half the month.
- Is the time spent at those meetings allocable to his grants?
- YES if the primary purpose of the scientific meetings was the dissemination of technical information reasonably related to his grants.

**Example 8: Vacation and Sick Leave**
- Dr. H is absent for one month for vacation and illness. During the remainder of the year he expends 80% Actual Effort on his grant activities.
- His salary is funded 80% from NIH grants.
- He can certify 80% Actual Effort on his Time and Effort report, even though he was absent for one month of the certified annual period.
- Note: There may be a requirement to notify NIH if absences are more prolonged.

**Example 9: Effort without Salary**
- Dr. I is involved in an NIH sponsored project to which she pledged 3% effort but did not request corresponding salary support.
- On her Time and Effort report, no pre-printed entries would normally appear for the NIH award, because the pre-printed entries on the Time and Effort report form reflect only salary actually charged to sponsored projects (unless Cost Sharing has been specifically entered).
- If Dr. I had no Actual Effort on the project, she should certify the report as is. However, if she expended any effort on the grant, the report must be adjusted manually by identifying the project and noting the percentage of Actual Effort expended.
- Note: Being listed as a potential mentor on training grants does not require effort or Cost Sharing.

**Example 10: NIH Career Awards (K Awards) – SPECIAL RULE**
- Dr. J works 40 hours per week at WMC and 12 hours per week performing Faculty Practice activities.
- Dr. J’s K award requires him to devote 75% of his total professional effort to the award.
- To meet the 75% effort requirement, Dr. J must devote 39 hours to the K award activities – 75% of 52 hours. (Faculty Practice is included in total professional effort for K award compliance purposes even though it is not included in Total Effort for salary distribution purposes.)

**Example 11: Graduate Student Teaching and Mentoring**
- Dr. K spends 3 hours a week teaching a course for graduate school credit to graduate students.
- She also spends an average of 4 hours a week mentoring each of the three graduate students assigned to her research, and 2 hours a week in a lab meeting discussing research issues relevant to her NIH funded project.
- The lab meeting and mentoring time can be considered as part of her effort devoted to the grant, but the course should be considered as instruction and attributed to her WMC-supported effort.

**Example 12: Inconsistent Documentation**
• Dr. L fails to list 6 industry-sponsored clinical trials (aggregate of 5% effort) on his NIH Biographical Sketch and his just-in-time Other Support page submitted to NIH.
• If this is brought to the Grant Management Officer's attention, NIH could argue that this information was necessary to the scientific and/or administrative review process, and the grant was inappropriately awarded.
• NIH could order WMC to return funds already expended and those remaining from the award, and could seek to impose penalties on Dr. L and WMC.

Example 13: NIH Salary Cap
• Dr. M has an Institutional Base Salary of $300,000 and expended 10% of her Total Effort on an NIH Grant.
• The NIH Salary Cap is $183,500.
• Only $18,350 may be charged to the grant (10% of $183,500), not $30,000 (10% of $300,000).
• The $11,650 difference between the capped rate and the uncapped rate may not be charged to any Federal project or used to satisfy a Cost Sharing commitment.

Example 14: Voluntary Committed Cost Sharing
• Dr. N commits 40% of her effort to an NIH grant, and meets that commitment by expending 40% of her Total Effort on the grant.
• However, only 30% of Dr. N's salary is charged to the grant.
• The 10% of Dr. N’s salary that is not charged to the grant is Voluntary Committed Cost Sharing.
• In filling out the Time and Effort report, Dr. N should show her Actual Effort on her NIH grant as 40%, even though the pre-printed salary allocation percentage will be only 30%.
• The 10% difference between Committed Effort and effort charged to the grant must be tracked by WMC for F&A rate calculation purposes, where applicable, and/or to document fulfillment of Cost Sharing commitments.
• Note: If Dr. N had committed and charged only 30% effort to the grant but had voluntarily expended 40% effort, the 10% difference would not be Voluntary Committed Cost Sharing and WMC would not have to track it as such. In filling out the Time and Effort report, Dr. N should consider the 10% effort not charged to the grant to be departmental research, allocable to a cost category other than organized research (usually Instruction).
Education & Training

The goal of the Education and Training Module is to enhance the compliance consciousness in the daily actions of employees, students, and other persons affiliated with research at Weill Cornell Medical Center and related activities.

Areas requiring implementation of specific education and training programs include, but are not limited to

- Effort Reporting
- Pre-Award
- Post-Award
- Compliance with OMB Circulars and Grant Contract Provisions

The Office of Research Compliance is responsible for ensuring that the policies and procedures are disseminated to the faculty and staff in a timely manner. The Office of Research Compliance is responsible for providing timely updates of all training materials in response to any new WCMC policies and procedures or changes in applicable regulations. The training program will be aimed at maintaining and updating awareness of effort reporting policies among existing faculty and staff and introducing new personnel to WCMC’s effort reporting policy and procedure. All training material developed by departments concerning documentation and effort reporting regulations must be reviewed and approved by the Office of Research Compliance.

The Office of Research Compliance, working with departments, shall develop a system to document participation of WCMC faculty and staff in the training programs. Departments must maintain attendance logs for any departmental-based compliance training and report individual participation and education hours in quarterly and annual reports along with compliance scores to the Office of Research Compliance. The system developed to track attendance at compliance training will be used to identify personnel who do not comply with training requirements. Non-compliant faculty and staff who fail to attend mandatory training may be subject to disciplinary action.
Monitoring

Departments are required to regularly monitor compliance of faculty and staff with this Plan and report the results of such monitoring to the Assistant Dean of Research Compliance on a quarterly basis.

Each Department Administrator will randomly sample (TBD) their effort reports; the random sample should be audited and reported within one quarter. The reports will be due on the 25th day of the last month in the last quarter.

Finding of the reviews shall be incorporated into the Quarterly Department Compliance Report.

Where problems with compliance have been identified, there will be additional education and training supplied to the parties concerned. Any identified compliance issues will result in increased monitoring of the affected Principal Investigator on those issues until two consecutive months of effort reporting have occurred without problems. The Department will emphasize further the monitoring process to the PI to ensure that any problems are corrected and that compliance guidelines are being followed.

Reporting

PI Audits

- Provide a summary of the Department’s effort reporting audit activity for the quarter.
  - Indicate the total number of faculty in the department actively involved in research and how many were audited in the quarter.
  - Indicate the audit results in terms of which PIs were over 98% and the most common types of reasons found for non-compliance.
  - Indicate corrective action steps implemented as a result of audit.

- The following elements must be included in the Departmental Quarterly Report.
  - Include a faculty roster to coincide with the total number of faculty reported above.
  - List of all faculty that were subject to re-audit.
  - List all new faculty members who received research compliance training and for whom an initial audit was conducted.

Data Entry Audits

- Summarize the data entry audit activity for the quarter.
  - Indicate the total number of staff charged with data entry responsibility.
  - Indicate the total number of effort reports reviewed for each staff.
  - Provide a percentage of effort reports with any data entry errors.
  - Discuss the type of data entry errors identified and corrective action steps taken.
Process Improvements for the Quarter
  o List all process improvements developed and or implemented in the current quarter.

Research Compliance Education
  o The Office of Research Compliance has developed a Compliance Training Module which will include an effort reporting unit.
  o The module will enable DA’s to track PI’s participation, passage rate, duration for each session, and certification.
  o Include a log listing each support staff’s participation in research compliance education sessions and the topics covered.*

Issues Identified
  o List any issues indentified during the quarter and the action taken to resolve the issue and its status at the end of the quarter.

Goals for Next Quarter
  o Summarize focus areas of needed improvement to be addressed in the next quarter.

Corrective Action Plan

After the audits have been completed and risk areas identified the Compliance Officer/Liaison will develop a corrective action plan and manage the Department’s adherence to that plan. Corrective action plans should be designed to ensure not only that the specific issue is addressed but also that similar problems do not occur in the Department. The corrective action plan should include specific items to be addressed and target dates to implement such recommendations. Timely and appropriate corrective action is critical.

The Office of Research Compliance shall follow up and audit corrective action plans to determine whether the corrective action plan is followed and effective.

Guidelines for Corrective Action: The following guidelines constitute the minimum action which shall be taken in response to non-compliance; a corrective action plan shall include these elements and whatever additional elements as are appropriate action under the circumstances.

First Report of Noncompliance:

Education & Training by ORC, as applicable, the format to be determined by ORC

Within ninety (90) days after the education is completed, a follow-up audit will be conducted, at which time ten (10) effort reports will be audited for compliance.
The audit time period may be extended until ten (10) medical records are available for audit.

Second Report of Noncompliance:

The Department Chair will be notified that the matter will be reviewed by the Executive Research Compliance Team.

Third Report of Noncompliance:

If upon the Executive Research Compliance Team’s conclusion, a third report of noncompliance may be considered the result of a Department’s intentional, willful, or reckless disregard for the Plan requirements. The Executive Research Compliance Team will report its findings to the Dean of Weill Cornell Medical College. Other action may be implemented as determined by the Dean including suspension of sponsored accounts and individual suspensions and/or dismissals.

Conclusion

The Office of Research Compliance is committed to ensuring that all WCMC faculty and staff conduct their professional duties and responsibilities in accordance with all applicable local, state, and federal laws, rules, and regulations. Cornell maintains a help and reporting line to enable faculty, staff, and representatives to report violations and to discuss any questions concerning compliance including effort reporting. We encourage all faculty, staff, and representatives to report violations of any violation to a supervisor and/or to the Office of Research Compliance. Such reports will be kept confidential and disclosed on a need-to-know basis. WCMC prohibits retaliation against persons making such reports in good faith. False accusations made with the intent of harming or retaliating against another person can subject the accuser to disciplinary action.

WCMC faculty and staff wanting to make a report of a violation or potential problem may contact the Office of Research Compliance at (212) 821-0959, or call the anonymous, confidential Cornell Compliance Hotline 1-866-293-3077. The Office of Research Compliance has no disciplinary enforcement authority. The Office of Research Compliance will investigate, evaluate, and make recommendations to the Dean regarding compliance matters including effort reporting violations pursuant to the corrective action section of this Plan and the Code of Conduct.