

Weill Cornell Medicine Policy: Effort Certification and Tracking

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Introduction

Weill Cornell Medicine (WCM) and its faculty are committed to the highest standards of ethics, integrity, honesty and compliance with all applicable laws, regulations and policies governing research. WCM strives to promote best practices and ethical behavior as well as 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.

WCM recognizes the importance of a comprehensive effort reporting compliance plan for the management of research. Due to researchers' multiple responsibilities, the accurate recording of time and effort spent on a project has been identified as a potential risk factor. Most researchers have educational, clinical, investigative and/or grant-writing-related obligations. It is important, therefore, that researchers monitor exactly

how much time they spend on each project. This responsibility must be fulfilled in a manner that stands a test of reasonableness.

As a recipient of significant research funds, WCM must assure all sponsors and donors 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. WCM is committed to the same level of excellence in stewardship of funds entrusted to us as we are to the quality of our science.

The goals and objectives of the WCM effort compliance plan are as follows:

1. Describe the legal and regulatory requirements applicable to research effort.
2. Provide oversight for WCM's effort reporting and tracking.
3. Establish and enforce uniform standards, including well-publicized disciplinary guidelines, via effort reporting policy and procedure.
4. Provide training and education, online and otherwise.
5. Set forth a process to confirm reported effort.
6. Set forth the role of the Office of Research Compliance.
7. Create corrective action plans as needed.

Scope of the Compliance Plan

The provisions of our compliance plan apply to all WCM faculty and staff. The plan applies to time, generally expressed as a percentage of total effort, devoted to particular WCM work-related activities such as projects, instructions, proposal preparations or other administrative duties. When WCM faculty collaborate on research with other institutions, it is expected that these institutions have effort reporting policies and procedures. In the absence of having established effort reporting policy and procedures, collaborating institutions receiving pass-through funds from WCM will be required to conform to this plan's principles and practices.

Compliance Oversight and Administrative Responsibility

The Office of Research Compliance and the Department of Finance will have joint oversight over the following activities:

- Providing oversight, expertise and information to facilitate compliance with effort reporting requirements
- Developing and implementing effort reporting policies and procedures
- Interpreting and providing guidance regarding laws, rules and regulations
- Monitoring compliance with reporting requirements
- Training regarding effort reporting policies and procedures
- Investigating measures to correct situations where audit reports are not submitted when required

Coordination with other WCM offices including Internal Audit, University Counsel, Sponsored Research Administration (OSRA) and Research Administration may be necessary to fulfill these responsibilities.

The Office of Research Compliance works closely with representatives of departments and any units or individuals who are involved with effort reporting. Each department appoints a compliance associate to serve as a resource to enhance the implementation of the effort reporting policy and procedure. Department chairs, administrators and compliance associates have functional reporting responsibility to the Office of Research Compliance for effort tracking monitoring and assessment.

Effort Certification Policy

Policy Sections

Last Revised: February 2016

- Policy Statement
- Reason for Policy
- Who Should Know This Policy
- Contacts
- Applicable WCM Policies
- Applicable Federal Regulations & Criteria
- Policy
- Roles & Responsibilities
- Procedures
- Forms/Instructions
- Frequently Asked Questions
- Definitions

Policy Statement

The purpose of this policy is to set forth the procedures that WCM employees must follow in order to comply with salary allocation requirements of the OMB Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) [formerly known as OMB Circular A-21], requirements regarding effort committed to grants, contracts and research projects and other applicable sponsor requirements.

Reason for Policy

As a recipient of federal research funding, WCM is subject to financial accounting and reporting obligations designed to ensure that charges to its federally sponsored projects are allowable and properly allocable. Among these obligations is the requirement to maintain a salary allocation system that complies with the provisions of the Uniform Guidance.

Who Should Know This Policy

- Senior administration – vice provosts, associate deans
- Directors, department chairs and division heads
- Faculty
- Departmental/divisional administrators
- Finance personnel – research and accounting service members
- Grant and contract personnel
- Research compliance personnel

Contacts

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Policy questions	Edward C. Walsh	(646) 962-3632	ecwalsh@med.cornell.edu
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Applicable WCM Policies

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

Applicable Federal Regulations & Criteria

The federal government provides funding to WCM with specified terms and conditions, including a requirement that WCM comply with applicable principles regarding charging costs to federal projects. The primary source of these cost principles is the Uniform Guidance, which requires WCM to establish and maintain a payroll distribution system that reasonably distributes salary charges among direct activities such as sponsored investigational, educational or clinical activity. The basic requirement of federal cost principles is that salary charges on sponsored projects must be proportionate to effort expended on those projects, as documented in periodic effort certifications. We fulfill that requirement through reasonable monitoring of salary allocations to federal projects, and through the preparation, review and certification of activity distribution reports.

WCM Activity Distribution Policy (SAP)

- All employees who are involved in allocating salaries to sponsored projects or completing activity distribution 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.
- All departments must complete and submit activity distribution reports on a timely basis and in the correct format for all employees who are subject to time and effort reporting requirements.
- All activity distribution reports must meet 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 activity distribution report must be made as they are known.

Roles & Responsibilities

Responsibilities	Principal Investigator	Department Administrator	Department or Division Chair	Research Compliance	OSRA	Finance
Distribute activity distribution reports to departments						P
Distribute activity distribution reports locally to investigators		P				
Complete and sign activity distribution reports	P	S				
Track current and pending effort commitments	P	S			S*	S
Provide information to facilitate compliance with activity distribution report policy		S	S	P		P
Provide local oversight for effort certification			P			
Collect and maintain annual activity distribution report certifications		S				P
Ensure compliance with activity distribution policy				P		P

Key
P = Primary Responsibility
S = Secondary Responsibility

**Faculty, predoctoral student and postdoctoral appointment effort is tracked by the OSRA; administrative/clerical staff effort is not tracked by the OSRA.*

Frequently Asked Questions

What are activity distribution reports?

WCM uses activity distribution reports to document that compensation charges to its sponsored projects are appropriate. For example, if WCM is charging 50 percent of an employee's Institutional Base Salary (IBS) to a sponsored project, WCM must be able to document that the employee is devoting at least 50 percent of their total effort to that project. The employee's certified activity distribution report provides the required documentation for those charges.

If activity distribution reports are used to document compensation charges to sponsored research projects, why are other kinds of activities reflected on my report?

Applicable regulations require that reports reflect the total activity within the scope of an employee's IBS. These 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 an activity distribution 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.

Why are activity distribution reports important?

Per legal requirement, WCM maintains a compliant payroll distribution system as a prerequisite to receiving federal funding. Compensation charges typically comprise the most significant direct-cost components of a sponsored research project. It is therefore very important that WCM be able to support such charges. Activity distribution reports assure external research sponsors that their funds are being expended appropriately, i.e., solely for effort devoted to a sponsored project.

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-percent-effort does not equate to any set number of hours. Using a percentage method allows an employee to estimate the amount of effort devoted to a particular sponsored project as a percentage of all of their activities and allows for a work schedule that is greater or less than 40 hours per week.

Definitions

Term	Definition
Actual Effort	The time that an employee devotes to a particular sponsored project (including time pledged to a sponsor as mandatorily or voluntarily committed cost sharing) or other WCM activity, expressed as a percentage of their total effort
Committed Effort	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 devote 30 percent of their effort to the grant, with salary support for 10 percent of their effort, the committed effort for that employee is 30 percent.
Cost Sharing	The portion of the total project costs of a sponsored project that is borne by WCM rather than a sponsor – the 20 percent of effort that is not funded in the example above (cost sharing is sometimes referred to as cost matching)
Faculty Practice	Time spent preparing for, providing and following up on clinical care needs of patients through the Weill Cornell Medicine 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 regarding patient care issues and supervising residents or medical students while providing clinical care.
Institutional Base Salary (IBS)	The annual compensation that WCM pays for an employee’s appointment, whether that employee’s time is spent on research, teaching, administration or other activities – this includes administrative supplements. Historically, IBS has specifically excluded supplemental compensation paid in connection with qualified faculty practice activities coded as 601010 and paid from a Physician Organization series-nine fund. Likewise, IBS excludes compensation for an employee’s outside consulting activities and other compensation received directly from an entity other than WCM for services provided to that entity.
Mandatory Cost Sharing	Cost sharing required by a sponsor as a condition of obtaining an award – mandatory cost sharing is a binding commitment and any employee effort expended in satisfaction of the commitment must be accounted for in accordance with this policy.
NIH Salary Cap	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 percent of their effort on an NIH grant has an actual IBS of \$200,000, and the NIH salary cap is \$185,100 (as of January 2016), the appropriate IBS charge to NIH for the employee’s effort would be 50 percent of \$185,100, or \$92,550. The 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.

Term	Definition
Activity Distribution Report	<p>A certified form used by WCM to document the proportion of total effort devoted by an employee to each activity with which they are involved, including sponsored projects, administration and teaching. This document becomes WCM’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 an employee’s total effort. By definition, total effort must always equal 100 percent – never more or less.</p> <p><i>WCM’s supplemental compensation plan is currently under review to ensure that it complies with the provisions of the Uniform Guidance.</i></p>
Total Effort	<p>The effort that an employee devotes in aggregate to professional activities for which they receive WCM IBS compensation – Income from (a) faculty practice activities through the Weill Cornell Medicine Physician Organization for which supplemental compensation coded 901010 is received from a series-nine fund* and (b) outside consulting activities or other activities for which compensation is received from an entity other than WCM is specifically excluded from total effort calculation. This exclusion does not pertain to any fixed supplemental income, which must be included in computing total effort.</p> <p><i>*It is important to note that this does not include any fixed supplemental income, which must be included in computing total effort.</i></p>
Voluntary Committed Cost Sharing (VCCS)	<p>IBS 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, a WCM proposal promises 30 percent committed employee effort but requests only 10 of percent salary support) or (b) by actually charging a sponsor for less than all of the committed effort actually expended (for example, a proposal contains 30 percent of committed effort and requests 30 percent of salary support, and the actual effort is 30 percent but the grant is only charged for 10 percent of the IBS). VCCS does not include voluntary effort in excess of committed effort for which no salary support is requested or claimed. For example, if a WCM proposal contains 30 percent of committed effort and requests 30 percent of salary support, but 40 percent of effort is actually provided and the sponsor is not charged for the additional 10 percent of effort, the 10 percent does not represent VCCS.</p> <p>Under the Uniform Guidance, federal funding agencies are prohibited from using VCCS in the merit review of applications or proposals. Furthermore, federal funding agencies will only consider VCCS if it is identified as a requirement published within a funding solicitation. Per the Uniform Guidance, funding agencies are prohibited from using VCCS in the merit review of applications or proposals. VCCS may be considered only if a federal awarding agency publishes, in their funding opportunity announcement or funding solicitation, that the inclusion of VCCS in a grant proposal is required as a condition of considering or issuing an award.</p>

Effort Certification Procedures

Procedure Sections

Last Revised: February, 2016

- Procedure Requirements
- Summary of Effort Reporting Procedures
- Who Must Complete an Activity Distribution Report
- Salary Allocations Prior to Completion of Activity Distribution Reports
- Generating, Reviewing and Completing Activity Distribution Reports
- Effort Examples

Procedure Requirements

All employees who are subject to time and effort reporting requirements set forth in the Effort Certification Policy are expected to review, understand and comply fully with the procedures in this section. Any questions concerning these procedures should be directed to the assistant director of financial analysis. Failure to comply with these procedures may result in serious adverse consequences for both WCM and its employees.

Summary of Activity Distribution Procedures

These procedures cover the following aspects of the salary allocation process necessary to maintain compliance with WCM's effort reporting obligations:

- Initial allocations of salary to sponsored projects
- Interim adjustments of salary allocations (after initial allocations and prior to completion of activity distribution reports)
- Completion of activity distribution reports, and adjustments to salary allocations based on those reports

Who Must Complete an Activity Distribution Report

Employees who meet **either** of the following criteria must complete an annual activity distribution report:

- An employee's salary is charged in whole or in part directly to a sponsored project*.
- An employee expends committed effort on a sponsored project even though no part of the employee's salary is charged to the project.

**Defined here as a federally sponsored project as outlined in the Uniform Guidance*

Salary Allocations Prior to Completion of Activity Distribution Reports

At the application preparation stage, compliance associates must review the total effort of individuals who will have effort committed to a project to assure that the proposed effort is feasible considering other activities required of the employee. Compliance associates, department administrators and faculty members whose

research is required to be certified must review activity distribution reports to ensure that they account for all activities.

Entry of Salary Information into the Payroll Distribution System

The first step in the salary allocation process is for a designated departmental administrator or their designee to input into the payroll distribution system, either electronically or manually through an approved change of funding reallocation form, the projected salary allocations for each employee in the department who will be required to complete an activity distribution report. These projected salary allocations should be submitted within the first 90 days of award activation after being reviewed and approved by Principal Investigators (PIs) to ensure that they are consistent with the expected chargeable effort to be expended on a project and with each employee's overall effort commitments at WCM. 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 Percent

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

Adjustments to Salary Allocations Based on 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 PI who is devoting 20 percent of their total effort to a sponsored project, and 80 percent of their total effort to other duties, becomes involved in another grant with a 10-percent level of effort, adjustments will be necessary to ensure that the PI's total effort does not exceed 100 percent. These adjustments might involve reduced effort on the existing grant (subject to sponsor approval, if necessary), or less time spent on non-sponsored research activities, or both. If these effort adjustments are significant (10 percent of effort committed to a project), 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 activity distribution reports covering the quarters ending in September, December and March of each year, if salary allocation percentages differ by more than 10 percent from actual effort on a particular project, an adjustment should be made through a change of funding reallocation form. For example, if a reported salary allocation for a federally sponsored project is 30 percent, and actual effort for the quarter is known to be more than 33 percent or less than 27 percent, an adjustment would be required in order to align salary allocation more closely with actual effort. Federal guidelines and WCM 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 Activity Distribution Report, distributed in June, must be accurate to the best knowledge of employees completing the report, and if there is any unjustified discrepancy between 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

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-percent effort to a federal project during a calendar year budget period could meet that commitment by expending 40-percent effort during the first six months of the budget period and 20-percent 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, it would not be permissible to allocate salary at a constant 30-percent rate for all four quarters of the grant budget period, as actual effort is substantially greater for the first two quarters and substantially less for the last two.

Form of Adjustments

Adjustments to the salary allocations may be made either electronically or manually. If made manually, adjustments must be based on an approved change of funding reallocation form.

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.

Generating, Reviewing and Completing Activity Distribution Reports

Generate Activity Distribution Reports

Following the quarter ending in June of each year, WCM's payroll distribution system generates activity distribution reports from SAP that are distributed to each WCM department. These reports indicate salaries allocated to all research, teaching, administration and other activities compensated by Institutional Base Salary.

For each category of activity, activity distribution reports contain the following columns:

1. Fund Number
2. WBS Element
3. Grant
4. Start and End Dates
5. Description
6. Salary Wage Fiscal Year To Date (FYTD)
7. Percentage (Effort)
8. Cost Sharing
9. Adjusted Percentage¹

The entries in the first seven columns are pre-printed based on data from the payroll distribution system.

¹ Estimates must be both subjectively and objectively reasonable. Employees should believe estimates to be correct (subjective standard) and estimates must be considered reasonable if reviewed by outside observers (objective standard).

Reviewing and Completing SAP Salary Distribution and Effort Reports

After reviewing an activity distribution report, the employee completing the report must review the percentage effort column for each fund and, based on their best reasonable estimate, either accept the percentage effort or make any necessary adjustments to the effort in the report by crossing out the preprinted percentage and putting the new effort in the adjusted percentage column.

If a fund is not pre-printed and it should be included on an activity distribution report, the fund must be added manually. The employee completing the report should fill in the proper fund number on the blank lines below the fund listing and enter the percentage of effort expended on that missing project.

The following are reasons why preprinted percentages for a sponsored project may differ from actual effort expended during a reporting period:

- Salary allocations in the payroll distribution system, which are based on before-the-fact estimates and projections, may have included underestimated or overestimated actual effort during the period.
- Mandatory or voluntarily committed cost sharing may have occurred, causing the percentage of salary allocated to a project to be less than the actual effort of 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, 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 (as of January 2016) is \$185,100, then 50-percent effort on the NIH project by the employee would result in a charge to the project of \$92550, which is only 45 percent of IBS. The preprinted salary allocation percentage on the report form would be 45 percent in this case, whereas the actual effort percentage that should be filled in on the report is 50 percent.)

The total amounts in columns seven, eight and nine represent total effort and must be by definition equal to 100 percent.

Certifying Activity Distribution Reports

As WCM utilizes a plan confirmation system to meet its salary allocation compliance obligations, reports for the quarters ending in September, December and March are for informational purposes only and need not be signed and certified. Activity distribution reports distributed for the quarter ending in June, however, constitute WCM's required annual certification of employee effort for regulatory purposes and therefore must be signed and certified.

WCM requires that each faculty member sign their own certified activity distribution report. In extraordinary circumstances (such as the absence of a faculty member on sabbatical leave or extended leave), PIs with suitable means of verification of a faculty member's actual activity during a covered period may sign on their behalf.

For WCM employees who are not faculty members, it is the discretion of each department to determine who will sign certified time and effort reports. Employees, PIs, supervisors, administrators or other knowledgeable individuals may sign, but in every case the person signing a report must have suitable means of verification that the salary allocation is reasonable in relation to the work performed.

The certification on a 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 WCM employee certifies that the actual effort entered on their activity distribution report reflects a reasonable estimate of the actual work performed.

Annual activity distribution reports must be returned to the assistant director of financial analysis within 60 days of their distribution. Failure to meet this deadline will be reported to an applicable department chair and the vice dean of research for appropriate action.

Adjustments to Salary Allocations Based on Certified Time and Effort Reports

Completed activity distribution reports are returned to the assistant director of financial analysis through designated departmental administrators.

If the percentage of an employee’s salary allocated to any sponsored project exceeds the employee’s actual effort as certified on their activity distribution reports, the salary allocation must be reduced accordingly so that it is consistent with actual effort. Adjustments to salary allocations made after effort certification may be done either electronically or manually by departmental administrators. If made manually, adjustments must be based on an approved change of funding reallocation form.

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 one of the following conditions apply to the situation:

- The difference between the salary allocation percentage and actual effort is attributable to mandatorily or voluntarily committed cost sharing or the NIH salary cap, as discussed above.
- 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 Activity Distribution Reports

In limited circumstances, it may be necessary to make retroactive adjustments to certified activity distribution reports. Any such adjustments must be properly justified and documented by a PI or departmental administrator and specifically approved by the assistant director of financial analysis. Justification and documentation must show why the original activity distribution reports were in error and validate a new actual effort percentage. Documentation should include an updated change of funding reallocation form as well as a revised activity distribution report. Justification for revision should be written directly on the activity distribution form.

Effort Examples

Example One: Calculating Effort

- Dr. A is budgeted to devote 75 percent of her total effort to an NIH project and is paid from a grant at that rate.
- She puts in 30 hours per week on the project, but also spends 20 hours per week on her teaching and administrative responsibilities.
- 30 hours is 75 percent of a 40-hour week, so on her time and effort report she enters 75 percent as her actual effort on the NIH project. Is that correct?
 - No - there is no “standard” workweek.
 - Her actual effort is 60 percent (30/50). It is not permissible to calculate actual effort percentages on the basis of a 40-hour workweek or any other “standard” workweek – actual effort must always be calculated and expressed as a percentage of Total Effort.

Example Two: Award and Clinical Trial Effort

- Dr. C has three NIH grants from which he derives 100 percent of his salary.
- In addition, he serves as a PI on eight industry-sponsored clinical trials at zero-percent effort.
- Dr. C also serves as a division director.
- If you were an auditor (the “objective standard”), would you view charging 100 percent of Dr. C’s salary to federal grants as reasonable?
 - No – actual effort must be assigned to Dr. C’s non-NIH grant activities.

Example Three: External Consulting

- Over the course of a week, Dr. D usually works on WCM business for 34 hours during the day (Monday-Friday) and 10 hours during nights and weekends.
- He spends about six hours each Monday consulting for an outside entity and receives pay directly from that outside entity for his 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 percent, of his IBS for the period.

Example Four: Editorships

- Dr. E serves as a journal editor for which she receives no compensation and spends on average of eight hours per week.
- No WCM funds are used to support her journal activities and none of Dr. E’s journal-related expenses are reimbursed by WCM. However, her administrative assistant is compensated by funds made available to WCM 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 Five: Adjusting Effort Due to New Awards

- Dr. F works 60 hours per week: 15 on an NIH grant and 45 hours on other WCM activities. His actual effort for this grant is 25 percent (15/60), consistent with the requested and funded amount.

- He then receives a second NIH award that provides support for 20-percent 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 the first grant should be reduced from 25 percent to 20 percent (15/75).
 - The NIH requires grantees to obtain prior approval if a PI or other “key personnel” member named in a grant award reduces their effort by 25 percent or more (e.g., reducing effort from 40 percent to 30 percent or less).
 - In this example, even if Dr. F is a PI or other “key personnel” member named in the grant award, the reduction in his grant period effort need not be reported to the NIH, as it is less than 25 percent (the reduction from 25 to 20 percent represents only a 5-percent reduction and, as 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).
 - In this example, Dr. F must report the change in effort using WCM’s Change of Funding Reallocation Form.

Example Six: Scientific Meetings

- Dr. G attends three different scientific meetings which precipitate him being away for half of the month.
- Is the time spent at those meetings allocable to his grants?
 - Yes, if the primary purpose of the scientific meetings was dissemination of technical information reasonably related to his grants.

Example Seven: Vacation and Sick Leave

- Dr. H is absent for one month for vacation and illness. During the remainder of the year, he expends 80-percent actual effort on his grant activities.
- Eighty percent of his salary is funded from NIH grants.
- He can certify 80-percent 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 the NIH if absences are more prolonged.

Example Eight: Effort without Salary

- Dr. I is involved in an NIH-sponsored project to which she pledged 3-percent effort but did not request corresponding salary support.
- On her time and effort report, no preprinted entries would normally appear for the NIH award because the preprinted entries on the activity distribution form reflect only salary charged to sponsored projects (unless cost sharing has been specifically entered).
- If Dr. I had no actual effort on the project, she would certify the report as is. However, if she expended any effort on the project grant, her 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 certification or cost sharing. The effort and salary is accounted for using departmental discretionary funds.

Example Nine: NIH Career Awards ([K Awards](#)) – Special Rule

- Dr. J works 40 hours per week at WCM and performs faculty practice activities 12 hours per week.
- Dr. J’s K award requires him to devote 75 percent of his total professional effort to the award.
- To meet the 75-percent effort requirement, Dr. J must devote 39 hours to K award activities – 75 percent 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 10: Graduate Student Teaching and Mentoring

- Dr. K spends three hours per week teaching a course for graduate school credit to graduate students.
- She also spends an average of four hours per week mentoring each of the three graduate students assigned to her research, and two hours per week in a lab meeting discussing research issues relevant to her NIH-funded project.
- Her lab meeting and mentoring time can be considered part of her effort devoted to the grant but the course should be considered instruction and attributed to her WCM-supported effort.

Example 11: Inconsistent Documentation

- Dr. L omits six industry-sponsored clinical trials (aggregate of 5-percent effort) on his NIH biographical sketch and his just-in-time other support page submitted to the NIH.
- If this is brought to a grant management officer's attention, the NIH will take the position that this information was necessary for its scientific and/or administrative review process and that funds were inappropriately awarded.
- The NIH could order WCM to return already expended as well as remaining funds and seek to impose penalties on Dr. L and WCM.

Example 12: NIH Salary Cap

- Dr. M has an IBS of \$300,000 and expends 10 percent of her total effort on an NIH grant.
- The NIH salary cap is \$185,100.
- Only \$18,510 may be charged to the grant (10 percent of \$185,100), not \$30,000 (10 percent of \$300,000).
- The \$11,490 difference between the capped and uncapped rates may not be charged to any federal project or used to satisfy a cost sharing commitment.

Example 13: Voluntarily Committed Cost Sharing

- Dr. N commits 40 percent of her effort to an NIH grant and meets that commitment by expending 40 percent of her total effort on the grant.
- However, only 30 percent of Dr. N's salary is charged to the grant.
- The 10 percent of Dr. N's salary that is not charged to the grant is voluntarily committed cost sharing.
- In filling out her time and effort report, Dr. N should show her actual effort on the NIH grant as 40 percent, even though the preprinted salary allocation percentage will be only 30 percent.
- The 10-percent difference between committed effort and effort charged to the grant must be tracked by WCM for facilities and administration (F&A) rate calculation purposes where applicable and/or to document fulfillment of cost sharing commitments.
- Note: If Dr. N committed and charged only 30-percent effort to the grant but had voluntarily expended 40-percent effort, the 10-percent difference would not be voluntarily committed cost sharing and WCM would not have to track it as such. In filling out her time and effort report, Dr. N should consider the 10-percent effort not charged to the grant to be departmental research, allocable to a cost category other than organized research (usually instruction).

Effort Tracking System (ETS)

Policy Sections

- Policy Statement
- Who Should Know this Policy
- Summary of ETS Functionality

- ETS Policy and Procedures
- Other Effort Policies

Last revised: February, 2016

- ETS Questions
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Policy Statement

The Office of Research Compliance (ORC) is dedicated to serving the WCM research community by ensuring accurate and ethical stewardship of grant funds. With significant input from faculty and administrators, the ORC has developed the WCM Effort Tracking System (ETS). The ETS is a centralized repository of information concerning Committed Effort (CE), Actual Effort (AE) and other activities. As WCM uses a plan confirmation system (annual confirmation) for certifying effort with the federal government, the ETS should be used to record fluctuations in effort throughout a fiscal year in order to ensure that year-end certifications and quarterly informational reports accurately reflect the actual effort expended on projects. It therefore makes keeping track of and reporting effort more efficient for PIs and administrators and its use is required by WCM for all departments. ETS supplements, *but does not replace* activity distribution report certifications sent by the Department of Finance.

Who Should Know This Policy

- Directors, department chairs, division heads
- Faculty
- Departmental/divisional administrators
- Finance personnel – research and accounting service members
- Research compliance personnel

Contacts

Subject	Contact	Phone	Email
Policy	Edward Walsh	(646) 962-3632	ecwalsh@med.cornell.edu
Technical issues and audits	Amenophis Faussett	(646) 962-3639	asf2003@med.cornell.edu

Summary of ETS Functionality

- The ETS compiles committed effort data for funded and pending grants.
- The ETS tracks AE as reported by WCM personnel for all WCM work activities included in AE calculations, including research, teaching, administration and other activities.
- The ETS tracks committed and actual effort data over time, throughout the budget cycle of an award, and produces an audit trail if required.
- The ETS produces a visual alert within a worksheet for administrators when employees' recorded effort levels exceed the 98-percent threshold.
- The ETS generates other support pages required by federal awarding agencies based on committed effort data for funded and pending grants.

ETS Policies and Procedures

Updating the ETS

Generally, compliance associates should enter information into the “Pending Projects” section of the ETS when a proposal is submitted to a sponsor. At the time of award notification from a funding agency, grant or contract, and no later than five business days from first notification, projects are moved to the “Funded Projects” section of the ETS and committed effort to a sponsor must be entered. Actual effort committed to a project must be updated no later than 90 days from receiving an award notice. This 90-day window is in line with NIH policies regarding effort changes. See below for more specific information.

Just-In-Time (JIT)

The NIH uses just-in-time procedures for certain programs and award mechanisms, typically indicating that funding is likely. These procedures call for limited information to be submitted, and possible NIH follow-up to be allowed. JIT submissions require statements of active committed effort and pending effort on PHS 398 other support pages for all senior/key personnel and require plans to adjust committed effort on other projects or propose bundling committed effort between pending and active projects (such as with K awards). Planned adjustments of committed effort written on other support pages must be entered in the ETS notes section or other support overlap and effort reduction plan section in such a way to allow the ORC to confirm that they have been recorded, e.g., “If R01 from NIAID is funded, then 20-percent committed effort will be bundled with the K award” or “If a new P award is funded, committed effort on Dr. Jones’ grant will be reduced to 20 percent”.

Personnel Required to be Tracked by the ETS

All WCM faculty and other academic staff members with committed effort on active or pending sponsored research projects must have their entire committed effort tracked in the ETS. In addition, any individual who receives NYSTEM funding must have their effort tracked in the ETS. Students and nonacademic employees are not subject to ETS tracking. For the purpose of this policy, industry-sponsored clinical trials and government-sponsored clinical trial projects are considered sponsored research projects.

All individuals with 80-percent or greater effort allocated to sponsored research projects will be reviewed quarterly by central administration.

98-Percent Funded Effort Rule

WCM faculty, other academic staff (including postdocs, fellows, research and staff associates, etc.) and nonacademic employees (examples below) are not permitted to charge 100-percent effort to sponsored research activities. These individuals generally have a variety of obligations in addition to conducting research, including teaching, clinical care, administration (which includes service on committees) and grant proposal writing. Accordingly, WCM's practice limits effort funded by sponsored research projects to 98 percent. Examples of nonacademic employees covered by this practice include technicians in wet labs, research aides and assistants, counselors, data control staff members and program coordinators involved in dry-lab or clinical research projects.

This practice does not apply to students, as any non-course effort is likely to be de minimis. Any special circumstances will be reviewed on a case-by-case basis.

A budget subsidy is provided to cover funding for the remaining 2-percent effort if no appropriate departmental sources are available. A budget supplement will be provided through the WCM budget process to cover the remaining 2-percent effort only if there are no appropriate departmental sources available. As students were previously covered by this practice, subsidies will continue to be made available (if necessary) to carry funding through the life of existing grants supporting current students.

If a department can document, via the quarterly ETS review process, that a nonacademic employee's effort is solely devoted to research projects, an exception to the 98-percent limit may be granted. To receive this exemption, an employee must engage in no other activity such as administrative function, unless the engagement is clearly de minimis.

ETS Monitoring and Audits

Quarterly, the ORC runs a 100-percent effort report from the ETS for each department, with a time period that follows two quarters behind to allow adjustments in the system. The purpose of this audit is to identify areas where departments are having difficulty maintaining compliance as it relates to personnel effort. Where problems with compliance are identified, additional education and training are offered to the parties concerned.

The areas that the audit addresses are:

- Personnel overcommitted
- COEUS personnel/projects not entered in the ETS
- SAP personnel/projects not entered in the ETS
- Actual or committed effort data not updated
- 100-percent total effort (funded and other) accounting
- Research compliance training module completion

When compliance associates and/or department administrators receive these audit reports from the ORC, they must review, reconcile any issues and return their signed reports to the ORC by an initial audit notification deadline. Any department failing to sign off and return reports to the ORC will be referred to the senior director of financial analysis and the vice dean of research for corrective action.

Changes in Effort and Effort Reduction Letters

Investigators may change committed effort during a budgetary period for a number of reasons, often requiring approval from a funding agency, and all changes must be recorded in the ETS. It is a PI's responsibility to advise their department's compliance associate and the OSRA of any change in their committed effort. Departments should establish policies that require PIs to inform compliance associates of such changes. Committed effort changes by key personnel of 25 percent or more on NIH awards require approval from a granting institute, regardless of whether they are made at a time of renewal. Letters must be routed to OSRA staff for institutional review, approval and submission to a funding agency. PIs are notified via email when the OSRA receives decisions from funding agencies.

[Effort Reduction Template](#)

Please note that the 25-percent threshold is a) relative to the last approved committed effort level – a reduction from 40- to 20-percent committed effort is a reduction of one-half, or 50 percent (not 20 percent), and requires prior approval, and b) cumulative – a reduction in committed effort from 40 to 35 percent, and then from 35 to 30 percent, is a cumulative reduction of one-fourth, or 25 percent (40 percent to 35 percent equals 12.5 percent, and 35 percent to 30 percent equals 12.5 percent; 12.5 percent plus 12.5 percent = 25 percent), and so the reduction from 40 to 35 percent would not require prior approval, but the subsequent reduction from 35 to 30 percent would require prior approval.

Corrective Action for Effort Tracking and Recording Noncompliance

In the event that a department does not comply with the policies and procedures detailed in this document, ORC staff will present the information to the vice dean of research. Escalating corrective actions will be implemented, including:

- Reeducation of department staff.
- Notification of the chairman by the vice dean of research.
- Restriction of grant funds.

ETS Questions and Answers

Who needs effort tracked in the ETS? Are there exceptions?

All faculty and other academic staff members with committed effort on active or pending sponsored research projects (including industry-sponsored clinical trials) must have their entire committed effort tracked in the ETS. In addition, any individual with NYSTEM funding must be tracked in the ETS. Students and nonacademic employees are not tracked in the ETS.

Who is responsible for the accuracy of information in the ETS?

Department Administrators (DAs) and compliance associates are responsible for inputting and maintaining accurate information in the ETS. PIs are responsible for verifying that information is accurate on a regular basis as defined by departmental policy. This verification process between DAs and PIs varies by department depending on resources and workflow.

When does a grant or project need to be entered into the ETS?

Information should be entered into the ETS at the time of submission or via JIT in the “Pending Projects” section. At notice of an award, information should be uploaded into the “Funded Projects” section of the ETS. Actual effort should be updated on a regular basis no less than 90 days from the present date. For example, if notice of an award was received on May 1, all information except for actual effort should be entered into the ETS on that day. Actual effort should begin to be updated no later than Aug. 1.

What is the difference between actual and committed effort?

Actual effort is the actual proportion of an employee’s work time spent on a particular project or activity. For projects that carry explicit promises of committed effort, notably (but not solely) research funded by grants or contracts, the average of actual effort must never be less than 25 percent of the committed effort – employees may not deliver less effort than was committed unless approved in advance by a sponsor. For this reason, actual effort is also tracked in the ETS. An average of actual effort may be more than the average of a committed effort – in such a case, an employee is delivering more effort than was committed.

How do you calculate committed effort?

Committed effort is the assurance (or commitment) that WCM makes to a sponsor (such as the NIH) regarding how much personnel time will be devoted to a project being funded. This assurance is legally binding, which means that any individual’s total committed effort on all of their work duties can never exceed 100 percent, including research, administration, teaching, grant proposal writing and patient care (i.e., work done for the WCM Physician Organization that is paid via supplemental compensation). Calculation of committed effort is not based on a 35-hour work week; it is based on the amount of time that an employee actually works. For example, 10-percent committed effort on a project, for someone who works an average of 60 total hours per week, yields an average of six hours devoted to that project per week.

Is entry of industry-sponsored clinical trials into the ETS required?

Yes. Committed effort for industry-sponsored clinical trials may be bundled or listed separately in the “Funded Projects” section of the ETS, depending on department policy. In the “Other Activities” section of the ETS, a line item labeled “CTA Industry” reflects actual effort. As industry-sponsored clinical trials rarely require committed effort, and effort typically fluctuates dramatically each month, only actual effort needs to be updated.

Is use of the “Other Support” ETS function required when submitting other support documents to a sponsor?

No, the “Other Support” ETS function is optional and its use is left to the discretion of department administrators. The ORC recommends using the ETS to ensure consistency and accuracy of submissions to sponsors.

What role will the ORC have in monitoring/controlling the ETS?

The ETS is a uniform shadow system controlled by departments. WCM mandates use of the ETS by all departments and units.

What type of external scrutiny will the ETS be subjected to – i.e., NIH, OIG, DOJ audits?

The ETS is subject to potential review by all funding agencies. Although the ETS is not the certified record (which is the Activity Distribution Report), it should reflect consistent and accurate record keeping within individual departments.

What happens when the system shows an overcommitment in the committed effort total?

Committed and actual effort for any project may differ from month to month, which causes committed and actual effort percentages to differ. The NIH requires that we account for 100 percent, or the “full body”, of our work when we certify our effort. Therefore, actual effort should reflect 100 percent of an employee’s effort, whereas committed effort may be over 100 percent – this is an ETS software shortcoming. Please be aware that funded, committed effort should never be over 98 percent unless exception requirements are met.

Is it required for these worksheets to be signed and returned to the ORC?

Signing ETS worksheets is not an ORC policy; we do not collect them. The ORC uses department administrator signatures on our quarterly audits to attest that information is correct in order to ensure compliance. Some departments may have their own policies that require employees to sign their ETS worksheets. Effort certification reports (activity distribution reports) from the Department of Finance require signatures annually, based on our plan confirmation system.

Definitions Associated with Time and Effort

Activity Distribution Report – the official effort plan confirmation report generated by the SAP system, submitted to the government after signoff procedures have been completed – this report replaced the salary distribution and effort report generated by FRS.

Effort Tracking System (ETS) – the system that allows administrators to track research effort within their department

Funded grant – any active project in which effort is (or has been) expended, regardless of whether salary is received

Pending grant – any project that has been applied for but has not yet been awarded

Actual effort – the time that an employee actually devotes to a particular sponsored project (including time pledged to a sponsor as mandatorily or voluntarily committed cost sharing) or other WCM activity, expressed as a percentage of total effort

Committed effort – 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

Actual subtotal – the combined total of actual effort on funded projects

Committed subtotal – the combined total of effort, committed to sponsors and/or the government, to expend on funded projects

Other activities – administrative, educational, clinical or other

Administration – may include, but is not limited to, faculty recruitment, graduate student, house staff or medical student selection, support staff selection and training, professional journal editing, book or chapter text writing, course and curriculum development, hospital management, committee work and grant application preparation

Teaching – effort expended during classroom instruction provided to students, including office hours and counseling but excluding patient care and supervision of residents and fellows

Clinical effort – patient care and services normally eligible to be billed to patients or third parties – this includes training and professional development activities intended to improve clinical skills. This category excludes the following patient care activities: (a) activities associated with the management of hospital services or administration of hospital activities, and (b) patient care associated with research, i.e., an activity that requires Institutional Review Board (IRB) approval. Graduate medical education activities related to the supervision and instruction

of those enrolled in accredited intern residency and fellowship programs are also included. These activities include clinical procedure education as well as teaching rounds and conferences.

Clinical trials – biomedical or health-related research studies of human beings that follow a predefined protocol – this term includes both interventional and observational studies. Interventional studies are those in which research subjects are assigned by an investigator to a treatment or other intervention and their outcomes are measured. Observational studies are those in which individuals are observed and their outcomes are measured by investigators.

Institutional Base Salary (IBS) effort – the effort that an employee devotes in aggregate to professional activities for which they receive IBS compensation from WCM – specifically excluded from total effort is time spent on: (a) faculty practice activities through the Weill Cornell Medicine Physician Organization (PO), for which supplemental compensation coded 601010 is received from a PO series-nine fund*, and (b) outside consulting or other activities from which compensation is received from an entity other than WCM.

**This does not include any fixed supplemental income that must be included in computing total effort.*

Contact

- Pose a question or add a sponsor or investigator (include CWID) to the ETS: ets@med.cornell.edu.
- Register for the Research Compliance Training (RCT) module: research_compliance@med.cornell.edu.

Conclusion

The ORC is committed to ensuring that all WCM faculty and staff members conduct their professional duties and responsibilities in accordance with all applicable local, state and federal laws, rules and regulations.

Cornell maintains a hotline to report violations. Reports are kept confidential, and disclosed on a need-to-know basis. WCM prohibits retaliation against those making such reports in good faith. False accusations made with the intent of harming or retaliating against another person may subject an accuser to disciplinary action. WCM faculty and staff members who want to report a violation or potential problem may call the anonymous, confidential Cornell compliance hotline: (866) 293-3077, or [submit a report online](#).

The ORC has no disciplinary enforcement authority. The ORC investigates, evaluates and makes recommendations to the vice dean of research regarding compliance matters including effort reporting violations pursuant to the corrective action section of this plan and the Code of Conduct.