Course Learning Objectives

▪ **Upon completion of this course, you will:**
  
  • Understand requirements and concepts related to effort including:
    - Key terms, policies, procedures, and regulations
    - Effort management activities: proposal through closeout
    - Roles and responsibilities
  
  • Have an overall understanding of effort certification in Workday
Topics Covered

- Overview
- Regulations, Policies, and Procedures
- The Effort Reporting Lifecycle (with case studies)
  - Appointing faculty and staff
  - Proposing effort
  - Charging salaries and wages
  - Certifying effort
- Supplemental Information
  - Contact Information
  - List of websites referenced in the presentation
  - Additional Resources
# The Effort Life Cycle

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What is effort?

- The time spent on any activity by an individual expressed as a percentage of total University effort.

What is total University effort?

- The total professional activity for which an individual is compensated by the University.

- For faculty and other professionals, effort is NOT based on a standard work week of 37.5 or 40 hours but rather the total time an individual devotes to activities for which Yale compensates them.

- Estimate of hours representing total University effort are the denominator when calculating effort percentages.
Overview

- **What activities are included in total University effort?**
  - Teaching
  - Research
  - Clinical activities
  - Administration

- **What activities are NOT included in total University effort?**
  - Consulting and other outside compensated work
  - Bonuses and one-time or supplemental compensation for incidental work
    - [Policy 1001: Compensation Above Salary](#)
  - Clinical effort conducted at VA Hospital NOT compensated by Yale
What is effort reporting?

- A method for documenting activities paid by the institution for services rendered during the period of performance under sponsored agreements.
  - Documenting and certifying to effort is accomplished by the completion of an Effort Certification Statement.
Why is effort reporting required?

- Yale must assure sponsors that:
  - the amount of effort spent on their sponsored projects is commensurate with the salary charged to those projects; and
  - commitments of effort made to the sponsor at the time of proposal are fulfilled.

Note: Training grants and fellowships are excluded from the effort reporting requirement as stated in the Code of Federal Regulations (CFR)

- 2 CFR Part 200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements For Federal Awards
Question:
A researcher works on and is supported by a single sponsored project. The researcher works in excess of Yale’s normal work week.

Does the additional time worked need to be taken into consideration when completing the Effort Certification Statement?
Intentionally left blank.
Certification of Effort

Regulation, Policies, and Procedure
Regulation, Policies, and Procedure

▪ Federal Regulation:
  • 2 CFR Part 200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (formerly OMB Circular A-81)

▪ Yale Policies:
  • Policy 1316 - Effort Commitment: Managing Effort Associated with Sponsored Projects
  • Policy 1315 – Effort Reporting: Certifying Effort on Sponsored Projects

▪ Yale Procedure:
  • Procedure 1315 PR.04 – Effort Reporting
Regulation, Policies, and Procedure

- **2 CFR Part 200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards** *(formerly OMB Circular A-81)*
  - **Highlights**
    - Part 200.430 Compensation- Personal Services
      - Provides guidance for documenting activities in support of sponsored projects
      - Informs the policies and procedures adopted internally at Yale
      - Requires certain standards for the method of documentation
2 CFR Part 200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (formerly OMB Circular A-81)

- **Highlights (continued)**
  - Standards for Documentation of Personnel Expenses
    - Reasonably reflect the activities for which an individual is paid by the University
    - Reflect all of the activities performed by the individual
    - Be made initially on reasonable estimate made before the services are performed

**Note:** Adopted from 2 CFR Part 220 (OMB Circular A-21) Yale requires:

- After-the-fact confirmation to ensure that initial salary charges reasonably approximate actual effort
- Certification by the employee, the Principal Investigator or responsible official using a suitable means of verification that the work was performed
2 CFR Part 200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (formerly OMB Circular A-81)

• Highlights (continued)
  – Compensated Activities
    – 2 CFR Part 200.430: “Compensation for personal services includes all remuneration, paid currently or accrued, for services of employees rendered during the period of performance under the Federal award, including but not necessarily limited to wages and salaries…”
      - May include fringe benefits [200.431 Compensation- fringe benefits]
    - Costs of compensation are allowable when:
      ▪ Satisfy the requirements of 2 CFR Part 200
      ▪ Reasonable and conform to Yale Policy for both Federal and non-Federal
      ▪ Stem from an appointment made in accordance with Yale’s policies and meet Federal statute
      ▪ Apply to all faculty members and follow the Standards for Documentation of Personnel Expenses
      ▪ Effort Certification Statements (ECS) account for not only sponsored activity but all other compensated activities performed by the individual
Policy 1316 Effort Commitment: Managing Effort Associated with Sponsored Projects

- Highlights
  - Minimum Proposed Effort
    - PIs and faculty as key personnel are expected to propose some level of sponsor supported activity or the minimum required by the program.
    - Examples of exceptions may include doctoral dissertation, equipment and instrumentation grants, travel grants, and conference awards.
Policy 1316 Effort Commitment: Managing Effort Associated with Sponsored Projects

• Highlights (continued)
  
  – Maximum Allowed Sponsored Project Effort
    
    – Most faculty generally have responsibilities for teaching, administration, or patient care that precludes them from devoting 100% effort to sponsored activities.

    – Certain research faculty, postdoctoral appointees, and staff may devote and charge 100% effort and commensurate salary to a sponsored project(s) only when they are not involved in Yale:
      
      ▪ Administration
      ▪ Teaching
      ▪ Service
      ▪ Clinical activity
      ▪ Writing new or competing proposals
      ▪ and institutional governance
Policy 1316 Effort Commitment: Managing Effort Associated with Sponsored Projects

- **Highlights (continued)**
  - Activities that benefit a sponsored award and translate to effort
    - Conducting the research
    - Writing a progress report for an existing grant
    - Holding a research meeting with staff
    - Attending a scientific conference related to the research
    - Reading scientific journals to keep abreast with the latest advances in the specific field of research
    - Serving on committees or advisory councils that are part of and specific to an individual award
Policy 1316 Effort Commitment: Managing Effort Associated with Sponsored Projects

- Highlights (continued)
  - Activities that do not benefit a sponsored award
    - Mentoring a junior faculty member who is writing a grant proposal
    - Writing a new grant application
    - Serving on a human or animal subjects committee
    - Serving on a National Institute of Health (NIH) study section or National Science Foundation (NSF) Peer Review Panel
    - Effort expended on departmental/University funded research
    - University supported academic effort
Policy 1316 Effort Commitment: Managing Effort Associated with Sponsored Projects

• **Highlights (continued)**
  
  - **Estimating Reasonable Effort**
    
    o PIs are expected to propose reasonable estimates of the percent of effort necessary to carry out the project
      
      ▪ If awarded, the University must assure the sponsor that the estimated effort proposed is effectively managed within the parameters of the sponsor’s requirements and University policy.
  
  - **Mixed Effort**
    
    o A reasonable allocation of effort between sponsored projects activity and clinical care.
      
      Example: Research and Clinical Care - seeing patients, some of whom are also research participants
Policy 1306: Cost Sharing on Sponsored Projects

• Highlights
  – Cost Sharing
    o The portion of total sponsored project costs not funded by the sponsor.
    o Cost sharing is defined as the University’s financial contribution toward a sponsored project.
  – Types of Cost Sharing
    o Mandatory Cost Sharing
    o Voluntary Committed Cost Sharing
    o Voluntary Uncommitted Cost Sharing
Policy 1306: Cost Sharing on Sponsored Projects

- Highlights (continued)
  - Mandatory Cost Sharing
    - Required by the terms and conditions of the award or by federal statute.
    - Requires Yale to contribute toward the project as a condition of receiving the award.
    - Requires Yale prior approval
    - Must be in the approved budget
    - Accounted for through the effort reporting process
Policy 1306: Cost Sharing on Sponsored Projects

- **Highlights** *(continued)*
  - **Voluntary Committed Cost Sharing (VCCS)**
    - Identified in the proposal but **not** required or funded by the sponsor.
    - *Discouraged and requires Yale prior approval*
  - Must be approved in accordance with policy and prior to the preparation of the budget and budget justification.
  - Not expected and should **not** be included in federal proposals nor can it be used as a factor during merit review of applications or proposals.
  - Not expected for non-federal proposals, prior approval **required**
  - Must be documented and accounted for through the effort reporting process
Policy 1306: Cost Sharing on Sponsored Projects

- **Highlights (continued)**
  - **Voluntary Uncommitted Cost Sharing**
    - A cost associated with a sponsored project which was not committed to in the proposal or in any other communication to the sponsor
      - Includes effort of faculty or senior researchers that is over and above that which is committed and budgeted for in a sponsored agreement
    - Can be captured in the comments field on the ECS
    - No Yale prior approval, required
Question:
Dr. Lopez submits a proposal and includes 5% effort for herself on the budget and budget justification, but does not request any salary support for this 5% effort. The sponsor does not require a cost sharing commitment. If awarded, does the equivalent salary for the 5% effort need to be captured through cost sharing COA values and appear on the ECS?
Case Study 2: Cost Sharing

**Question:**
Dr. Lopez submits a proposal and includes 5% effort for herself on the budget and budget justification, but does not request any salary support for this 5% effort. The sponsor does not require a cost sharing commitment. If awarded, does the equivalent salary for the 5% effort need to be captured through cost sharing COA values and appear on the ECS?

**Question:** What type of cost sharing is this?
Case Study 2: Cost Sharing

Intentionally left blank.
Yale Policy 1315 Effort Reporting: Certifying Effort on Sponsored Projects

- Proposed effort must be commensurate with proposed salary
- Yale is committed to its sponsors to ensure that the effort in the proposal and subsequent award is met
- Salary charged cannot be in excess of effort devoted
- ECS required for each individual whose salary is charged to one or more sponsored projects and/or cost sharing accounts during the effort reporting period
- 9-month academic year appointments may receive compensation during the summer for effort devoted in the summer
- Sanctions may be imposed for non-compliance
Yale Policy 1315 Effort Reporting: Certifying Effort on Sponsored Projects

- **Highlights (continued)**
  - **Requirements and Certification of ECSs**
    - Generated in Workday on a scheduled basis (in most cases)
    - Contain salary percentages representing the covered individual’s University salary allocated to sponsored project accounts and other University activities
    - Certifiers must determine if salary percentages reasonably reflect the actual effort
    - Faculty members are required to certify their own ECS
    - PI certifies the ECS of the research staff working on his or her sponsored projects
    - PI certification of graduate student effort in the form of a stipend charged to an award, is also a certification that the tuition remission is proportional to the student’s level of effort and stipend directly charged to the award
Yale Policy 1315 Effort Reporting: Certifying Effort on Sponsored Projects

Highlights (continued)

- Salary Reallocations and Recertification
  - Only in certain rare circumstances will salary adjustments to be permitted subsequent to certification
    - Supporting documentation must include a detailed explanation of the need for the salary adjustment and subsequent recertification
    - Adjustments decreasing effort must always occur regardless of timeframe

- Sanctions for Non-compliance
  - Failure to follow the provisions of this Effort Reporting policy may subject the individual and department(s) responsible for the violation(s) to administrative and/or disciplinary actions.
Procedure 1315 PR.04: Effort Reporting

• Highlights
  – Schedule
    o Effort Certification Statements (ECSs) are initiated in the months shown below
    o ECSs should be certified within 60 calendar days from the date of availability notification

<table>
<thead>
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<th>Covered Individuals</th>
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<td>Spring and Fall Academic Term (January &amp; June)</td>
<td>Graduate students</td>
</tr>
<tr>
<td>Summer (September)</td>
<td>Graduate students and 9-Month Faculty summer compensation</td>
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<tr>
<td>Semi-annual (January &amp; July)</td>
<td>Professionals, Faculty and Staff</td>
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Procedure 1315 PR.04: Effort Reporting

Highlights (continued)

- Information and Processes
  
  o Effort reporting for weekly paid staff, such as temporary employees and service and maintenance staff, is accomplished through signature verification by the appropriate individual within the certification block on the Temporary Employee Payment Request form 3501 FR.05.

  - Though entered in Kronos, this form must also be completed for Active M&P Retirees paid from a sponsored project.

  o Undergraduate students are certified in the eTimesheet payroll system. The supervisor of the student certifies electronically to the hours worked.
Procedure 1315 PR.04: Effort Reporting

• **Highlights (continued)**
  
  – Completing an Effort Report Template
    
    o An ECS may not automatically generate in Workday when:
      
      ▪ Covered individual is on the Executive (Confidential) Payroll and is devoting effort to sponsored awards
      
      ▪ Covered individual is on sabbatical leave for the entire effort period and is continuing his/her commitment to the sponsored project
      
      ▪ Individual is paid 100% by a non-Yale source and is devoting effort to Yale sponsored awards (i.e., Howard Hughes Medical Institute or the Veteran’s Affairs Connecticut Healthcare System, VACHS)
        
        • If one of the above applies, an ECS will not generate and it is the responsibility of the business administrator to complete the effort report template (1315 FR.01) and have the form appropriately certified.
• procedure 1315 PR.04: effort reporting

- highlights (continued)

  - general overview for exiting PI/faculty member
    
    o prior to a PI or faculty member’s permanent departure from Yale, s/he is required to complete the requisite effort report templates (1315 FR.01) for him/herself and those for which they are directly responsible.

    o completion of the effort report template does not replace certification in Workday but serves as supporting documentation for the certification of the ECS.
• **Procedure 1315 PR.04: Effort Reporting**

  - **Highlights** *(continued)*
    - **Roles and Responsibilities**
      - **Effort Certification Manager (ECM)**
        - Determines which reporting periods need to be generated
        - Initiates ECSs for all departments
        - Notifies Effort Certification Reviewers (ECRs) of the initiation of the effort certification period
        - Monitors overall completion for the University
        - Performs review to ensure data integrity
        - Supports the certification process
Procedure 1315 PR.04: Effort Reporting

- **Highlights (continued)**
  - **Effort Certification Reviewer (ECR)**
    - Facilitates a timely and efficient process for those required to certify effort
    - Reviews ECSs and makes appropriate adjustments both prior to and after review by the certifier
    - Has knowledge of proposal budgets and effort commitments applicable to the grant accounts under his/her review
    - Provides assistance to faculty who participate in the effort process
    - Captures cost sharing properly
    - Ensures that ECSs are reviewed and properly escalated for timely certification in accordance with the due dates established by the University
Procedure 1315 PR.04: Effort Reporting

- **Highlights** *(continued)*

  - **Effort Certification Analyst (ECA)**
    - Understands and has a working knowledge of Yale’s policies/procedures including but not limited to effort commitments, effort reporting, and cost transfers
    - Responds to department personnel questions regarding effort reporting policies and procedures
    - Monitors the completion of Effort Certification Statements (ECS), ensuring proper review, and escalates ECS issues in a timely manner so that certification is completed in accordance with the due dates established by the University
Procedure 1315 PR.04: Effort Reporting

- **Highlights (continued)**
  - **Certifiers must:**
    - Be aware of the level of effort committed to sponsored projects
    - Review the ECS to make sure the percentages correctly represent the covered individual’s effort
    - Note voluntary uncommitted effort or career development award concurrent effort in the comments field
    - Communicate any significant changes in level of sponsored projects effort to his/her Grant Manager
The Effort Life Cycle

Effort Commitments: Appointing Faculty and Staff
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Appointing Faculty and Staff

- **Appointment letter**
  - Defines and provides:
    - Full workload
    - Faculty effort
    - Institutional base salary

- **Appointment types**
  - 9-Month
  - 12-Month
  - Joint (specifically, VA and Yale)

- **Faculty Handbook**
  - Provides information on University policies and practices as they pertain to faculty
Appointing Faculty and Staff

- **Appointment Types**
  - **9 Month Appointment**
    - 9-month appointment period is September – May.
    - Faculty paid over 12 months are paid in advance during July and August of each year of appointment and must complete the academic year to earn that salary.
    - Summer compensation (in addition to regular salary) is possible.
    - Under certain conditions, Faculty devoting effort to sponsored research may participate in the 9 over 9 program and will receive payment of salary over 9 months.
  - **12-Month Appointment**
    - Faculty with research appointments usually have a 12-month appointment and may begin and end at any time of the year.
**Appointment Types**

- **Joint Appointments**
  - Joint Appointments are limited to faculty that hold an appointment at both the Veteran’s Affairs Connecticut Healthcare System (VACHS) and Yale University.
  - A Memorandum of Understanding (MOU) between Yale University and the VACHS for these individuals participating in sponsored research is required by the National Institutes of Health (NIH).
    - MOU outlines the terms and details of an agreement between parties, including each party’s expected activities and goals.
    - MOU must be updated not less than annually and with each significant change as related to responsibilities and distribution of effort.
Policy 1311 Institutional Base Salary for Sponsored Projects

Institutional Base Salary (IBS)

- IBS is the annual compensation paid by the University for an employee’s appointment, whether that individual’s time is spent on research, teaching, patient care or other activities.

- IBS does not include:
  
  - Bonuses, one-time payments, or incentive pay
  
  - Salary paid directly by another organization including but not limited to the VACHS or Howard Hughes Medical Institute (HHMI)
  
  - Income that an individual is permitted to earn outside of their University responsibilities such as consulting
Appointing Faculty and Staff

- **Summer Salary**

  - Faculty with a 9-month academic appointment are permitted to expend up to an additional 2.5 months of paid summer effort on one or more sponsored projects during the summer research period – June, July and August.
    - This is subject to sponsor and University policies and the approval of the department chair and dean/provost.
  
  - A request to the Provost’s Office for summer salary indicates a commitment to put forth the comparable effort on the particular project during the summer, **not the academic year**.
    - Effort expended during the academic year does not satisfy a commitment related to the receipt of summer salary.
Appointing Faculty and Staff

▪ **Summer Salary (continued)**

- Faculty are not permitted to indicate unpaid summer effort in a proposal to a sponsor. Because the University is not obligated to pay 9 month faculty salary during the summer, unpaid committed summer effort has no monetary value and therefore may not be included in applications as a commitment of the PI or the University.

- If a 9 month faculty member has academic, administrative or other non-research responsibilities during the summer period, they will be precluded from devoting 100% effort to sponsored projects and thus from requesting 2.5 months of salary from those sponsored projects.
Appointing Faculty and Staff

- **Summer Salary (continued)**

  - 2 CFR Part 200.430 stipulates charges for work performed in periods outside of the academic year may be charged at a rate that does not exceed IBS

  **Note:** The National Science Foundation (NSF) normally limits salary compensation for senior project personnel to no more than two months of their regular salary in any one year (Yale defines this as the fiscal year, July to June). This limit includes salary received from all NSF funded grants.

  - Payment of salary from NSF funds must be commensurate with the effort devoted to the award. Effort can be devoted in the summer or during the academic year for 12 month faculty and 9-month faculty participating in the 9-over-9 program.
FAS and FES 9-over-9 Program

- Allows qualified participating faculty to charge up to 4.5 months of their salary to sponsored projects during the academic year, coincident with when the effort was devoted to the project.

- The equivalent salary and fringe benefit charged to the sponsored projects will be put into a research account for use by the faculty member.

- Academic year effort and corresponding salary charged to sponsored projects during the academic year is separate from the effort and associated salary charged during the summer months (i.e., summer salary).
Faculty with 9-Month Appointments not in the 9-over-9 Program

- Effort devoted to a sponsored project usually occurs throughout the calendar year. During the academic year, the University generally pays their effort, while the sponsor pays their effort in the summer.

- Effort to a sponsored project during the course of the academic year may occur without formally committing a specific amount of academic-year effort in a proposal unless they elect to participate in the 9-over-9 program.

- Faculty must meet all sponsor requirements for commitment of effort via summer salary.
The Effort Life Cycle

Payroll Costing: Proposing Effort
### The Effort Life Cycle

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#### Appointing Faculty & Staff

- Employment terms are established including appointment type and institutional base salary.

#### Proposing Effort

- Effort is proposed as a reasonable estimate; a commitment is made to the sponsor.

#### Charging Salaries and Wages

- Salary is charged contemporaneous with activity, expenditures are monitored, corrections made in a timely manner.

#### Certifying Effort

- Verify and certify effort devoted to sponsored projects after-the-fact.
Proposing Effort

- Requesting Salary Support

  - The proposed level of effort for PIs and key personnel should be consistent with the actual effort that each individual expends on the project during the relevant project period(s).

  - Proposed level of effort must be expressed in accordance with sponsor requirements, usually in person months (but not in hours).
    - A measurement of effort in academic, summer, and/or calendar months
    - Inclusion of person months in submitted proposals for each individual listed in the budget devoting effort and their associated salary and fringe benefits.

  \[
  \text{Proposed person months} \times \text{monthly rate of pay (IBS)} = \text{Amount Budgeted}
  \]

  Guide [1316 GD.01 Effort Percent/Calendar Month Conversion Table](#) assists with the conversion of percentages to calendar months and vice versa for both 9-month and 12-month appointments

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[1316 GD.01 Effort Percent/Calendar Month Conversion Tables](#)
[NIH Convert Percent of Time and Effort to Person Months](#) – interactive tool.
Proposing Effort

- Calendar (Person) Months Example
  - % effort x % of appointment (or term of the appointment) = person months
    - 50% effort x 1 FTE with a 12 month appointment = 6 person months \(0.50 \times 12 = 6\)
    - 50% effort x 0.50 FTE with a 12 month appointment = 3 person months \(0.50 \times (0.50 \times 12) = 3\)
    - 50% effort x 0.50 FTE with a 9 month appointment = 2.25 person months \(0.50 \times (0.50 \times 9) = 2.25\)
Career Development ("K") Awards

- Provides a PI with protected time and/or emphasizes a period of intense research intended to enhance his/her research career.
- Generally require a minimum amount of committed effort.
- Certain K awards have salary limitations. Because effort commitments must be met, salary paid above the limitation is recorded as mandatory cost sharing.
- The NIH Research Training and Career Development and NIH K Kiosk websites are an important source of information when managing a K award.
Proposing Effort

Salary Rate Cap

- As part of the Consolidated Appropriations Action, 2012 (Public Law 112-74) DHHS agencies with the exception of the FDA and the Indian Health Service are required to:
  - Impose a salary rate cap applicable to grants, cooperative agreements and contracts (with the exception of those that are clearly defined to be exempt from the cap).
  - Set the salary rate cap at the Executive Level II of the Federal Pay schedule (usually announced annually in January).
  - Sponsors (federal and non-federal) other than the sponsors identified above may have a salary reimbursement limitation as a matter of policy; and
  - Sponsors (federal or non-federal) may have a salary rate cap that may be program specific, limiting the recovery of salary.
Proposing Effort

▪ **Salary Rate Cap (continued)**

  • Read the sponsor’s funding announcement as well as the terms and conditions of an award to determine if a salary limitation exists.

  • Total capped salary may be charged only if the individual is working 100% on that sponsored project.

  • Generally, faculty with a 9-month appointment and receiving summer compensation from a sponsored project are not compensated by Yale for salary over a sponsor imposed rate cap.
    – However, faculty in the 9 over 9 program can use funds from their research account to support the difference.

  • Salary exceeding a cap **CANNOT** be charged to another sponsored project.
    – Must be charged to University funds and be accounted for as part of total effort.
Proposing Effort

Salary Rate Cap example:

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<tr>
<th>Description</th>
<th>Calculation</th>
<th>Result</th>
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<tbody>
<tr>
<td>Monthly salary</td>
<td>$240,000/12 = $20,000</td>
<td></td>
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<tr>
<td>Amount of the salary associated with effort on this award</td>
<td>$20,000 \times .40 = $8,000</td>
<td></td>
</tr>
<tr>
<td>Monthly salary rate cap</td>
<td>$187,000/12 = $15,583</td>
<td></td>
</tr>
<tr>
<td>Amount of the salary rate cap that can be charged to the award</td>
<td>$15,583 \times .40 = $6,233</td>
<td></td>
</tr>
<tr>
<td>Subtract capped salary from uncapped salary</td>
<td>$8,000 - $6,233 = $1,767</td>
<td></td>
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In this example: $6,233 can be charged to the sponsored award and the remaining amount is captured by salary over the cap COA values.
Graduate Student Stipends and Tuition Remission

- If a proposal requests support for a graduate student in the form of a stipend, the proportionate amount of tuition remission should also be requested from the sponsor.
- Depending on the percentage of the total stipend charged to a sponsored award, that same percentage is applied to 50% of the amount of tuition.
- For example, a PI budgets for a FTE graduate student at a stipend of $17,000 per year. The tuition remission in the budget would be at a rate of 50% of $34,500 (total cost of tuition for the year) or $17,250.
Proposing Effort

- **Business Office Roles and Responsibilities**
  - Advise faculty regarding preparation of budgets and effort commitments in sponsored project proposals
  - Monitor current and pending effort commitments
  - Inform faculty regarding availability of effort to meet commitments
  - Advise faculty regarding consequences of effort commitments and cost sharing and assist in obtaining required approvals
  - Identify the accounts from which cost sharing will be funded
  - Ensure there is no embedded effort included in the proposal (e.g. cost sharing) and that all effort discussed in the proposal is consistent
The Effort Life Cycle

Payroll Costing: Charging Salaries and Wages
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Creating a New Sponsored Project Award

- When a proposal is awarded, a new Award number and award lines are set up in Workday.

- The Award is the ‘master record’ and contains important information such as Sponsor, Sponsor ID, Begin and End Dates, Funding Amounts, etc.

- Each Award will have at least one Award Line. Each award line has a unique Grant number assigned to it.

- Each Award Line has related Worktags that could be different within the same Award (Cost Center, Program, Project, Assignee, Fund).

- Direct costs are charged to the Grant number. When doing so, Workday pre-populates the related Worktags.

- Cost sharing is charged to the Grant number and the Gift or Yale Designated that funds the cost share activity.
Payroll Costing and Effort Distribution

- Payroll Costing reflects the salary charged to an activity via the payroll system.
- Payroll Costing consistent with the committed effort should begin on sponsored projects (or cost share) COA values concurrently with actual project effort.
- Yale University’s effort certification process relies on payroll data to provide information on the projects to which an individual’s salary was costed during the certification period.
- Effort distribution reflects an individual’s time spent on an activity.

Note:

- Effort reporting periods may not coincide with the annual budget periods for which effort commitments are normally made.
- The effort reporting process offers an opportunity to consider whether the actual effort expended during the reporting period is consistent with the effort commitment and charging of salary.
Reduction of Effort

- PIs and/or key personnel named in the application and/or award must obtain University and sponsor prior approval for reductions in effort approval is required by the sponsor
  - Usually applies to the individual(s) named in the award document for federal granting agencies.
  - PI and any other individual named in the award is responsible for obtaining prior approval from the sponsor for reductions of effort of ≥ 25% (federal awards) or absence from the project of 3 months or more.
  - Notifying the sponsor of such a change after the fact via a Progress/Technical/Continuation Application/Report is inappropriate.
    - Prospectively, it is acceptable to notify the sponsor in a progress report but not for what already occurred.
    - Contact your OSP Award Manager for assistance with post-approval.
Dr. Jones devotes 10% effort to an NIH award and the rest of his effort to administrative duties. His institutional base salary is above the NIH salary cap amount by 2%.

**Question:** How should his payroll costing allocation be set up?

**Question:** What will his Effort Certification Statement (ESC) look like?
Case Study 3: Charging Salaries and Wages

Intentionally left blank.
Case Study 3: Charging Salaries and Wages

Intentionally left blank.
Dr. Smith, a new clinical faculty member, is pursuing a career in research. His Career Development award requires 75% effort.

Dr. Smith currently spends:
- 30% of his time attending departmental rounds
- 40% seeing patients
- 30% working the ICU in the evenings

He plans to stop seeing patients to accommodate his schedule for the K award.

**Question:** By making this change, will Dr. Smith meet his obligation to the NIH?
Case Study 4: Charging Salaries and Wages

Intentionally left blank.
Case Study 5: Charging Salaries and Wages

**Question:**
Dr. Yin submits a proposal and includes 45% effort for herself. While working on the awarded project, Dr. Yin identifies that she needs to increase her effort by 5% to 50% effort to perform additional tests, but does not want to charge the additional effort to the award.

What type of cost sharing does this represent?
Case Study 5: Charging Salaries and Wages

Intentionally left blank.
Dr. Spruce has a 12-month faculty appointment. She spends:

- 50% effort on research and
- 50% effort on teaching and administrative duties

Her 50% research effort is split evenly between two awards. Dr. Spruce has made an important discovery on one award and in order to confirm her results, she spends less time on her administrative effort.

**Question:**
Does Dr. Spruce’s effort certification statement need to change? If so, how? If not, why?
Case Study 6: Charging Salaries and Wages

Intentionally left blank.
Charging Salaries and Wages

- **Pay Components**
  - Earnings that are considered non-recurring (e.g. additional compensation, clinical bonus) are generally entered into Workday as “Worker Position Earnings Level Payroll Costing Allocations” and charged to the appropriate COA worktags.
  - When a pay component level payroll costing allocation is not present for earnings above an individual’s normal recurring pay, payroll may be incorrectly allocated.
    - As an example, an individual earns supplemental compensation from the School of Music but normally works for the School of Law. If the pay component level payroll costing allocation is not defined, the School of Law will be inappropriately charged for the work performed for the School of Music.
  - Because certain earnings are excluded from the effort reporting requirement, departments should take special care to distinguish earnings for both staff and graduate students.
The Effort Life Cycle

Effort Certification: Certifying Effort
## The Effort Life Cycle

<table>
<thead>
<tr>
<th>Effort Commitments</th>
<th>Payroll Costing</th>
<th>Effort Certification</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Appointing Faculty &amp; Staff</strong>&lt;br&gt;Employment terms are established including appointment type and institutional base salary.</td>
<td><strong>Proposing Effort</strong>&lt;br&gt;Effort is proposed as a reasonable estimate; a commitment is made to the sponsor.</td>
<td><strong>Charging Salaries</strong>&lt;br&gt;Salary is charged contemporaneous with activity, expenditures are monitored, corrections made in a timely manner.</td>
</tr>
<tr>
<td><strong>Certifying Effort</strong>&lt;br&gt;Verify and certify effort devoted to sponsored projects after-the-fact.</td>
<td></td>
<td></td>
</tr>
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</table>
Certifying Effort

Process Overview of Effort Certification

START
EFFORT CERTIFICATION MANAGER emails EFFORT CERTIFICATION REVIEWERS about the upcoming Effort Certification period. ECM initiates the Effort Certification period in Workday

WORKDAY ROLES
EFFORT CERTIFICATION REVIEWER receives Effort Certification Statement in Workday Inbox. ECR completes administrative review of Effort Certification Statement (including changes as necessary)

FACULTY CERTIFIER
FACULTY CERTIFIER receives Effort Certification Statement in their Workday Inbox

END
Payroll Accounting Adjustment is completed to meet effort change

FACULTY CERTIFIER
FACULTY CERTIFIER certifies revised Effort Certification Statement

OR

Certifier contacts EFFORT CERTIFICATION REVIEWER to request a change

EFFORT CERTIFICATION REVIEWER
EFFORT CERTIFICATION REVIEWER revises the Effort Certification Statement
Certifying Effort

**Effort Certification Manager**
- Initializes new Effort Reporting cycle
- Sends notification to Effort Certification Reviewers

**Effort Certification Reviewer**
- Business Office completes Administrative Review of effort forms
- Makes changes to effort in the Effort Certification Statement Details
- When complete, Workday Inbox task routes to Certifier

**Certifier**
- Certifies actual effort by grant in terms of percentages of total effort expended

**Post Certification Activities**
- Business Office post-reviews the Faculty ECSs that were changed (either by the Reviewer or the Faculty member)
- If a change was made to an ECS, a Create Payroll Accounting Adjustments for Effort Certification task is routed to the Workday Inbox of the Cost Center Payroll Accounting Adjustment Specialist(s) assigned to the employee's home cost center
Certifying Effort

- **Grant Number/Grant Name (Grant activities)**
  - Includes effort devoted to grants, contracts, and cooperative agreements sponsored by non-University entities

- **Blank (Non-Grant activities)**
  - Includes effort devoted to departmental business activities, instruction, administration and clinical activities

- **ECS must always total 100% even if the employee is part-time**
## Administrative Review

**Certifying Effort**

<table>
<thead>
<tr>
<th>Grant Number</th>
<th>Grant Name</th>
<th>Total Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>$50.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$100.00</td>
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</table>

### Effort Certification Summary

<table>
<thead>
<tr>
<th>Assignee</th>
<th>Certified Amount Estimated</th>
<th>Certified Percentage of Group Estimated</th>
<th>Certified Percentage of Total Estimated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yale</td>
<td>$50.00</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Total</td>
<td>$100.00</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

I, (name), certify that the effort percentages shown in the Certified Percentage of Total Estimated column for the sponsored awards for which I am responsible, reasonably reflect the actual effort charged to the sponsored project(s) during the period represented by this Effort Certification Statement.

[Signature]

Date: [Date]

**Name, Name**

**Grant Number**

**Grant Name**

**Total Dollars**

**Assignee**

**Cost Center**

**Fund**

**Program**

**Project**

**Yale Designated or Gift**

**Summary**

**Details**

**Positions**

**Process History**

**Submit** | **Change Effort** | **Add Approval** | **More**
Certifying Effort

Certification

Review Effort Certification Non Faculty Fall for Name, Name for 07/02/2017 - 12/31/2017

<table>
<thead>
<tr>
<th>Workload</th>
<th>Certified Amount Estimated</th>
<th>Certified Percentage of Group Estimated</th>
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<tr>
<td>Assignee</td>
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<td>83.3%</td>
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<tr>
<td>Cost Center</td>
<td></td>
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</tr>
<tr>
<td>Fund</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Program</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yale Designated or Gift</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>100.0%</td>
<td>83.3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Grant Number Grant Name</th>
<th>Certified Amount Estimated</th>
<th>Certified Percentage of Group Estimated</th>
<th>Certified Percentage of Total Estimated</th>
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<tbody>
<tr>
<td>Assignee</td>
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<tr>
<td>Cost Center</td>
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<tr>
<td>Program</td>
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<tr>
<td>Project</td>
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</tr>
<tr>
<td>Grant</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$60.00</td>
<td>100.0%</td>
<td>16.7%</td>
</tr>
</tbody>
</table>

I certify that the effort percentages shown in the Certified Percentage of Total Estimated column for the sponsored awards for which I am responsible, reasonably reflect the actual effort charged to the sponsored project(s) during the period represented by this Effort Certification Statement.

I Certify [ ]
Supplemental Information

Related Trainings, Contact Information, Referenced Websites, and Additional Resources
Related Trainings:

- Workday Effort Certification Training Presentation
- Cost Transfer Principles (online and instructor-led training available)
## Supplemental Information

<table>
<thead>
<tr>
<th>Jessica Gray</th>
<th>Alice Tangredi-Hannon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effort Certification Manager</td>
<td>University Research Compliance Officer</td>
</tr>
<tr>
<td>Office of Sponsored Projects</td>
<td>Office of Research Compliance</td>
</tr>
<tr>
<td><a href="mailto:effort.reports@yale.edu">effort.reports@yale.edu</a></td>
<td><a href="mailto:alice.tangredi-hannon@yale.edu">alice.tangredi-hannon@yale.edu</a></td>
</tr>
<tr>
<td>(203) 785.3517</td>
<td>(203) 785.5322</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Nancy Kendrick</th>
<th>Tracy Guarnieri</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director – Financial Management</td>
<td>Research Compliance Officer</td>
</tr>
<tr>
<td>Office of Sponsored Projects</td>
<td>Office of Research Compliance</td>
</tr>
<tr>
<td><a href="mailto:nancy.kendrick@yale.edu">nancy.kendrick@yale.edu</a></td>
<td><a href="mailto:tracy.guarnieri@yale.edu">tracy.guarnieri@yale.edu</a></td>
</tr>
<tr>
<td>(203) 785.3076</td>
<td>(203) 785.2744</td>
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<table>
<thead>
<tr>
<th>Lisa Mosley</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Director</td>
<td></td>
</tr>
<tr>
<td>Office of Sponsored Projects</td>
<td></td>
</tr>
<tr>
<td><a href="mailto:lisa.mosley@yale.edu">lisa.mosley@yale.edu</a></td>
<td></td>
</tr>
<tr>
<td>(203) 785.3680</td>
<td></td>
</tr>
</tbody>
</table>
Supplemental Information

Yale’s Sponsored Projects Administration Policies, Procedures, Guides, and Forms
https://your.yale.edu/sponsored-projects-administration

Office of Sponsored Projects Effort Reporting
http://your.yale.edu/research-support/office-sponsored-projects/financial-management/effort-reporting

Policy 1001 Compensation Above Salary: Bonuses and one-time or supplemental compensation for incidental work
http://your.yale.edu/policies-procedures/policies/1001-compensation-above-salary

Policy 1311 Institutional Base Salary for Sponsored Projects
https://your.yale.edu/policies-procedures/policies/1311-institutional-base-salary-sponsored-projects

Policy 1315 Effort Reporting: Certifying Effort on Sponsored Projects
https://your.yale.edu/policies-procedures/policies/1315-effort-reporting-certifying-effort-sponsored-projects

Procedure 1315 PR.03 Salaries Above a Sponsor Imposed Rate Cap
https://your.yale.edu/policies-procedures/procedures/1315-pr03-salaries-above-sponsor-imposed-rate-cap

Procedure 1315 PR.04 Effort Reporting
https://your.yale.edu/policies-procedures/procedures/1315-pr04-effort-reporting
Supplemental Information

Form 1315 FR.01 Effort Report and Instructions
https://your.yale.edu/sites/default/files/1315fr01effortreportinstructions1.pdf

Policy 1316 Effort Commitment: Managing Effort Associated with Sponsored Projects
https://your.yale.edu/policies-procedures/policies/1316-effort-commitment-managing-effort-associated-sponsored-projects

Guide 1316 GD.01 Effort Percent/Calendar Month Conversion Tables
https://your.yale.edu/policies-procedures/guides/1316-gd01-effort-percentcalendar-month-conversion-tables

Policy 1306 Cost Sharing on Sponsored Projects
https://your.yale.edu/policies-procedures/policies/1306-cost-sharing-sponsored-projects

Procedure 1306 PR.01 Cost Sharing
https://your.yale.edu/policies-procedures/procedures/1306-pr01-cost-sharing

Guide 1411 GD.01 VA Memorandum of Understanding Requirements
https://your.yale.edu/policies-procedures/guides/1411-gd01-va-memorandum-understanding-requirements

Faculty Handbook
http://provost.yale.edu/faculty-handbook
Salary from Grant Funds (9-over-9 Plan)
http://provost.yale.edu/policies/salary-grant-funds-9-over-9-plan

2 CFR Part 200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
http://www.ecfr.gov/cgi-bin/text-idx?SID=15d5184c2810c3eef54cd7109663b443&node=pt2.1.200&rgn=div5

NIH Research Training and Career Development (K Awards)
https://researchtraining.nih.gov/programs/career-development

NIH K Kiosk: Information about NIH Career Development Awards

NIH Convert Percent of Time and Effort to Person Months – interactive tool
http://grants.nih.gov/grants/policy/person_months_conversion_chart.xls

NIH Effort Conversion and Person Months
https://search.usa.gov/search?utf8=%E2%9C%93&affiliate=grants.nih.gov&query=effort+percent+conversion&commit=Search
Supplemental Information

Council on Government Relations (COGR): Compensation, Effort Commitments and Certification


Office of Management and Budget

2 CFR Part 200, Subpart E Cost Principles 200.430 Compensation- personal services (OMB Circular A-81)

http://www.ecfr.gov/cgi-bin/text-
idx?SID=60623b20e6213558b4aa6ab7eb76b619&node=2:1.1.2.2.1.5&rgn=div6#se2.1.200_1430

Clarification of OMB A-21 Treatment of Voluntary Uncommitted Cost Sharing and Tuition Remission Costs

https://obamawhitehouse.archives.gov/omb/memoranda_mo1-06/
Supplemental Information

- **Related Trainings:**
  - Workday Effort Certification Training Presentation
    - [https://workday.training.yale.edu/training-materials/effort-certification-workday](https://workday.training.yale.edu/training-materials/effort-certification-workday)
  - Cost Transfer Principles (online and instructor-led training available)
    - [https://your.yale.edu/research-support/office-sponsored-projects/osp-educational-opportunities/osp-research-administrator](https://your.yale.edu/research-support/office-sponsored-projects/osp-educational-opportunities/osp-research-administrator)
  - Office of Sponsored Projects Administration training
    - [https://bmsweb.med.yale.edu/tms/tms_enrollments.courses?owner=GCFA2&](https://bmsweb.med.yale.edu/tms/tms_enrollments.courses?owner=GCFA2&)
Email questions to: effort.reports@yale.edu.
Thank you!
Case Study

Answers
Case Study 1: Total University Effort

Question:
A researcher works on and is supported by a single sponsored project. The researcher works in excess of Yale’s normal work week.

Does the additional time worked need to be taken into consideration when completing the Effort Certification Statement?

Answer:
No. For faculty and other professionals, effort is not based on a standard work week of 37.5 or 40 hours, but rather the total time an individual devotes to activities for which Yale compensates them. Since the researcher worked on, and was supported by, a single sponsored project, 100% of her effort for the week was devoted to the sponsored project.
Case Study 2: Cost Sharing

**Question:**
Dr. Lopez submits a proposal and includes 5% effort for herself on the budget and budget justification, but does not request any salary support for this 5% effort. The sponsor does not require a cost sharing commitment. If awarded, does the equivalent salary for the 5% effort need to be captured through cost sharing COA values and appear on the ECS?

**Answer:**
Yes. The 5% effort included in the proposal is considered a commitment of effort and needs to be captured on the ECS.

**Question:** What type of cost sharing is this?

**Answer:**
Voluntary Committed Cost Sharing. This cost associated with the sponsored project was identified in the proposal but was not required or funded by the sponsor. This form of cost sharing is discouraged and requires Yale prior approval.
Case Study 3: Charging Salaries and Wages

**Question:** How should his payroll costing allocation be set up?

**Answer:** Payroll Costing Allocation:

- 8% of Dr. Jones’ salary can be charged to the NIH award.
- 2% of Dr. Jones’ salary is captured in a linkage account.

**Question:** What will his ECS look like?

**Answer:** The ECS will reflect 10% effort to sponsored activities and 90% to non-sponsored activities. Though salary over the cap is funded by departmental funds, it still shares the same grant worktag so that total effort will still be properly allocated to the award.
Case Study 4: Charging Salaries and Wages

Question: By making this change, will Dr. Smith meet his obligation to the NIH?

Answer: No, he will not meet his obligation to the NIH.

- In order to meet the requirements of the sponsor, Dr. Smith would have to devote even less effort to other activities. If not, the award may be in jeopardy and the sponsor must be contacted.

- Practically, Dr. Smith should reduce the amount of time devoted to his non-sponsored activities to assure that sufficient % effort can be devoted to meet the sponsor’s requirements.
  - Note that the ≥ 25% rule would not apply since the 75% effort commitment is a condition of the award. ANY reduction in effort for this type of award MUST be discussed with the sponsor.
Case Study 5: Charging Salaries and Wages

**Question:**
Dr. Yin submits a proposal and includes 45% effort for herself. While working on the awarded project, Dr. Yin identifies that she needs to increase her effort by 5% to 50% effort to perform additional tests, but does not want to charge the additional effort to the award.

What type of cost sharing does this represent?

**Answer:**
Voluntary Uncommitted Cost Sharing. This additional effort and commensurate salary is over and above what was committed and budgeted for in the proposal.
Case Study 6: Charging Salaries and Wages

**Question:**
Does Dr. Spruce’s effort certification statement need to change? If so, how? If not, why?

**Answer:** Yes, Dr. Spruce’s effort report does need to change.
- The increase in effort on the award is considered to be voluntary uncommitted effort supported by administrative dollars.
- Dr. Spruce either needs to indicate the increased percentage of effort in the comments field on the Effort Certification Statement or she could charge the additional salary to the award and reduce the administrative portion of her salary.
- Voluntary uncommitted effort does not need to be captured as cost sharing.