

Effort Reporting Check-in: The UG, Five Years Later

October 2019 COGR Meeting
Washington Marriott, Washington DC

October 24, 2019

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Council On Governmental Relations

An association of research institutions

A Timely Session

- 1) As we near the 5-year anniversary of the Uniform Guidance, it's helpful to take stock of **how reform initiatives around effort reporting are unfolding** at COGR institutions, and
- 2) In the context of foreign influence, documenting commitments, other support, total professional effort, and federal agency expectations, **understanding commitments in relation to after-the-fact review requirements for payroll charges** is becoming an increasingly important discussion at our institutions.

The Panel

Mike Legrand, University of California, Davis

Anticipating the campus shift to Payroll Confirmation

Joe Gindhart, Washington University, St. Louis

If not broke, don't fix ... sticking with traditional Effort Reporting

David Ngo, The New School

The Cohort for Efficiencies in Research Administration, Making a Difference

Lisa Mosely, Yale University

A voice of reasoned analysis (and a bridge between David and Jeremy)

Jeremy Forsberg, University of Texas, Arlington

Thinking deep about Current, Pending, Other Support ... and contrasting with After-the-Fact review requirements for Payroll Charges

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Payroll Confirmation Transition

**University Of California, Davis
October 2019**

**Presented by: Mike Legrand, Associate Controller,
Finance Director**

Current Process

- UCD has been using an annual “Plan Confirmation” effort reporting process since 2007
 - Based on Federal Fiscal Year October 1 – September 30
- Utilize a UC built online effort reporting system
- Historically only certified Federal and Federal Flow Through funds
 - 7,500 annual report and 96% are completed on time

Why The Change

- Implemented new payroll system in October 2019
 - Integration of existing effort report system with new payroll system is a significant effort
 - Other business practices are changing
- Traditional effort reports are only part of the UCD internal control framework
 - Already provide several after the fact payroll reports
 - Required Ledger Review for fiscal officers
 - Recommended PI Ledger Review
- Other UC Campuses continued with payroll Certification from the FDP Pilots

Where We Are Heading

- Formally change to an award based payroll confirmation
- Adjust existing Ledger review reports to meet UG Compliance requirements
- Provide more meaningful reports to Pls than previous effort reports
 - Reduce administrative burden
 - Reduce the number of reports generated
 - 2,700 Awards vs. 7,500 individual reports

Sticking with Traditional Effort Reporting and Transitioning to WorkDay

Washington University in St. Louis
October 2019

Presented by: Joseph M. Gindhart, Associate Vice
Chancellor for Finance and Sponsored Projects



Effort Reporting Stats

- Total Faculty, Staff & Students: **17,000**
- Employees Charged to Grants: **5,600**
- Total Salaries Charged to Grants: **\$264 million**
- Annual Effort Reports: **18,000**

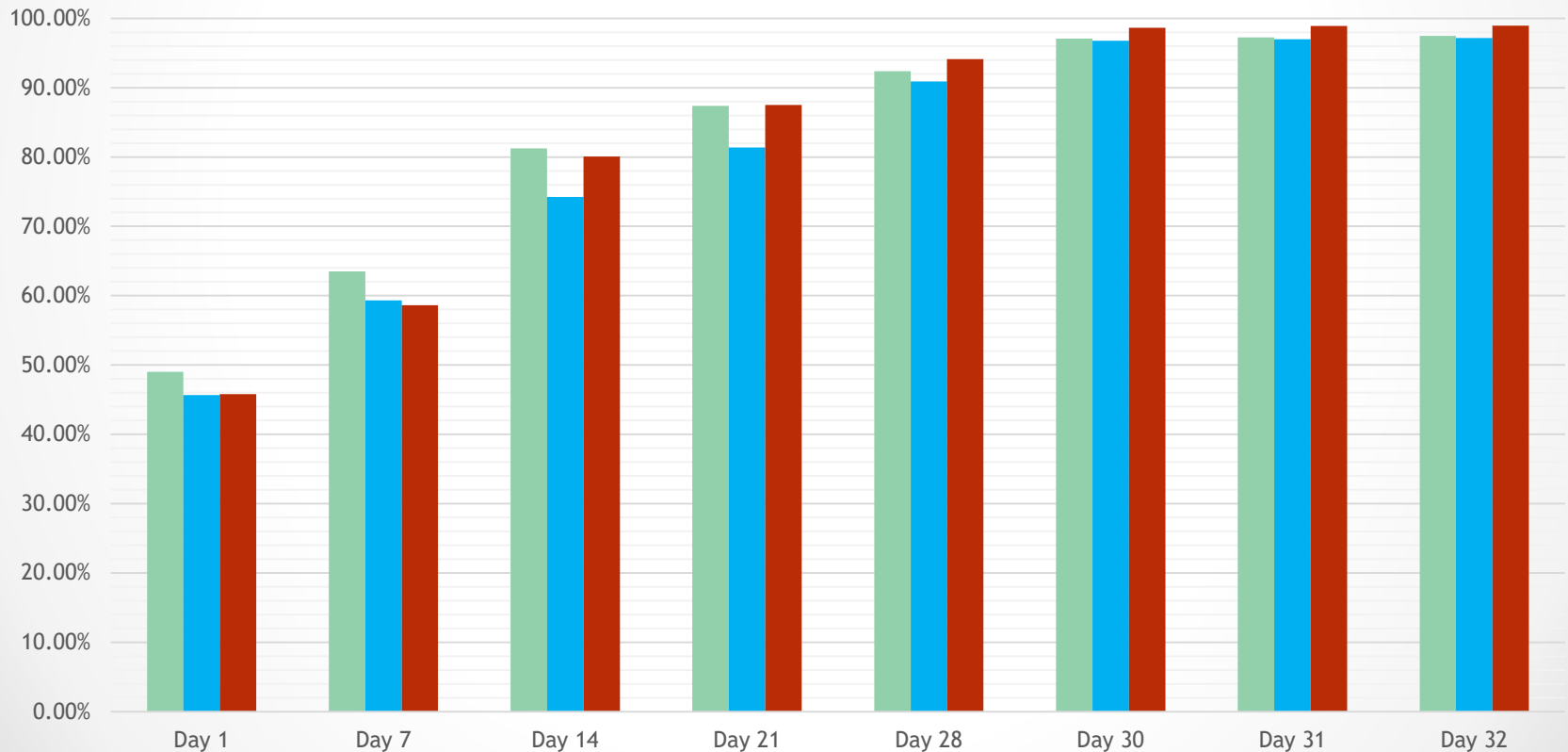
Current Certification Process



- Utilize Huron eCERT system (January 2009)
- Daily payroll interface (PeopleSoft)
- Customized effort card
 - UG categories (Organized Research, Instruction, Patient Care...)
 - Totals by Project (Grant + Cost Share=Project)
- Employee reviews, adjusts as necessary and certifies *within 30 days*
- Automatic notifications and reminder emails

Certify in 30 Days

ePARS Certifiers for 12/31/18





Certification Cycles

Semi-annual (6/30 & 12/31)

- **All School of Medicine faculty** and School of Engineering faculty and other academic positions that work on sponsored projects

Semesterly (5/31, 8/31, 12/31)

- Faculty with **9 month appointments** that work on sponsored projects

Quarterly (3/31, 6/30, 9/30 & 12/31)

- **Non-faculty/staff** that work on sponsored projects

Proposed WorkDay Certification



- Move to one certification cycle, semi-annual
- Only Med School faculty that work on sponsored projects must certify
- Certifier cannot adjust %'s, must send back to Dept. Admin.
 - DA must adjust each pay period, as necessary
 - May build in DA review time as part of cycle
- Payroll data updated once each cycle (not real-time)
- Report will summarize by account only



Transition Gains & Losses

- Standardize certification cycle across employee types
- 33% reduction in annual effort reports
- Eliminate retro-adjustment reconciliation
- Lose customized data categorization
- Daily payroll refresh not available
- Employee cannot adjust percentages



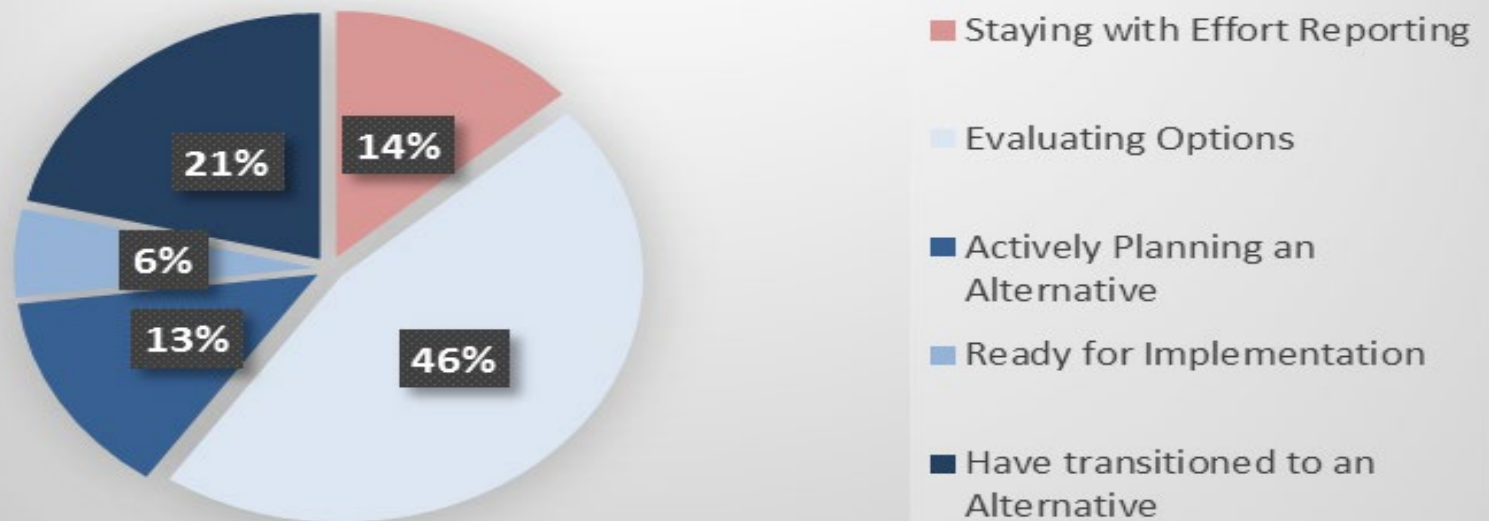
Other Issues

- Payroll costing allocation utilizes two decimal points, and certified figure uses one decimal point
- Lump non-sponsored activity into one category
- Certify just sponsored activity
- Proxy functionality

Phase II Survey Results

(Spring 2018)

Institutional Movement towards Alternative to Effort (n=52)



Data Analysis – UG Compensation Compliance Using ATE

Institutions that have implemented UG Compensation Compliance (with ATE) + Institutions that are implementing Cohort UG Compensation Compliance (with ATE):

- N=33
- 81% are Carnegie R1
- 73% are Large (Carnegie Size/Setting)
- Ave student population = 20,646
- Ave research expenditures = \$373 Million
- Ave HERD survey ranking = 100
- 3 institutions are in top 10 HERD ranking
- 21 schools are public
- 20% of institutions are academic medical centers (with average research expenditures of \$275M)

Reduction of Burden from Alternatives to Effort

	UT-DALLAS	MICHIGAN TECH	COLORADO STATE	UNIVERSITY OF KENTUCKY
# of certifications before ATE	2026/year	6700/year	2,700/quarter	11,500/year
# of certifications after ATE	430/year	620/year	<1,700/quarter	1,800/year
Reduction of faculty burden? Less time to complete and more understanding?	Yes	Yes	Yes	Yes
Faculty approval of ATE?	Yes	Yes	Yes	Yes
Improved overall internal controls?	Yes	Yes	Yes	Yes

Summary of Benefits - Presented by Schools Who Have Already Transitioned to an Alternative to Effort

UTD

- Reduced certifications per year from 2026 to 430
- Reduced faculty burden, easier for faculty to complete
- Audit results: the organization has a formal system to track time and effort of employees associated with the grant. Overall, university policies and procedures regarding time and effort reporting meet the requirements of Uniform Guidance and are functioning as intended; however, opportunities exist to ensure improved timeliness and appropriate reviewer access.

MTU

- Reduced certifications per year from 6700 to 620
- Improved % certifications not returned on time from 55% to 0%
- Audit results: determined controls were adequate, return rates improved considerably, interviews confirmed less administrative burden and turn around time to complete was decreased
- Completed OIG audit without findings
- Completed DCAA desk audit of revised DS2

UTA

- Increased faculty understanding of the process and what they are reviewing
- Department staff are utilizing monthly reports – better, more robust information than previously available
- Fewer resources required to centrally oversee the process

UK

- Reduced certifications per year from 11,500 to 1,800
- Improved communication between faculty, department and central admin
- True reduction in administrative burden for faculty,
- Large reduction in overall confirmations by moving from an individual certification to a project confirmation.
- Improved controls are in place which increases visibility in other systems and process improvements.

CSU

- Reduced total quarterly certifications from 2,700 to less than 1,700
- Reduced faculty burden (less time spent, easier to do)
- Improved internal controls
- Reduced administrative burden in monitoring/notifying

IBS, Total Professional Activities and Time

- IBS is defined by the institution for the annual cost of normal work activities performed. Time expectations for these activities are typically not defined nor is time tracked for their performance.
- IBS exclusions may include other institutional activities resulting in extra/supplemental pay such as administrative appointments, intra-institutional consulting etc. (these take “time”).
- Professional/individual activities (e.g. outside consulting of 1 day a week) performed outside of the institution are excluded from IBS.

“COMMITMENT” is defined in relation to Cost Share in UG

Project Cost (200.83)

- total allowable costs incurred and all required cost sharing and voluntary committed cost sharing.

Voluntary Committed Cost Sharing (200.99)*

- cost sharing specifically pledged on a voluntary basis in the proposal budget and that becomes a binding requirement of award.

Cost Sharing or Matching (200.306)*

- “only cost sharing specifically committed in the project budget must be included in the Organized Research Base for computing F&A”.

Organized Research Component (for F&A)

- “University research means all research and development activities that are separately budgeted and accounted for by the institution under an internal application of institutional funds.”

*Are new in UG compared to A-21.

IBS and UG Requirements

IBS

- Institutional Definition of IBS
- IBS reflects total compensation for normal work activities performed for the institution
- Cannot exceed 100% - is a set \$ value

ALLOCATION

- Budget Estimates/Interim Charges until confirmed reasonable for the work performed by the after-the-fact review
- Estimates should align with work performed but can be averaged over after-the-fact review cycle

AFTER-THE-FACT REVIEW

- 200.430 applies to compensation charged
- Charges cannot exceed the proportionate share of IBS

* Charges to a project may not equate to Time or % IBS (does not exceed) for the Cost Principles. E.g. Budget is finite, No cost extension. No binding commitment of cost sharing (VUCS) etc.

IBS vs. Time – Lifecycle Record

- Salary Cost Estimate (IBS) for Proposal Submission
 - At proposal submission. Agency policy and proposal instructions
 - Cost estimate may be less than actual proportion of work activities proposed to be performed (e.g. VUCS, NSF 2 month budget limitation)
- Current, Pending and Other Support (Time)
 - At proposal submission. Estimate of time spent on other individual or professional activities
 - Should this time be based on IBS, Total Institutional Activities, or Total Professional Activities?
- Salary Charges (IBS) and the After-the-fact Review
 - At an institutionally defined cycle. Charges/% of IBS may be less than the proportion of work activities performed towards the project.
- Administrative/Programmatic Requirement (Time/IBS?)
 - During award. Disengagement of PI of 3 months or more or a 25% reduction in “time devoted” to the project (prior approval requirement related to programmatic performance). Based on budget year or total project duration?
- Progress Reports (Time)
 - Annually and/or project closeout. List of participants and % time on project (NSF FAQ states this should not be based on # of person months in budget)

Questions?

Comments?

Concerns?