LOYOLA UNIVERSITY NEW ORLEANS
OFFICE OF GRANTS AND SPONSORED PROGRAMS

EFFORT REPORTING PROCEDURES AND EXAMPLES

A. **PROCEDURES**
B. **EXAMPLES**
C. **CONTACT INFORMATION**

A. PROCEDURES

1. **Applicability**
   These procedures apply to all participants of sponsored projects and administrators who fall within the scope of the Loyola University Effort Reporting Policy.

2. **Effort Reports**
   a. **Report Type**
      As needed, efforts will be reported through one of two documents:
      i. **Effort Report forms** are required for faculty and exempt staff.
      ii. **Regular payroll timesheets** are used as Effort Reports for most nonexempt staff.

      The Office of Grants and Sponsored Programs will inform each Principal Investigator/Project Director (PI/PD) whether Effort Report forms are required for their project. If required, pre-filled report forms will be provided to faculty and exempt staff members by a representative of the grants office. Through these reports, employees will either confirm or correct their efforts charged to sponsored projects. For most employees, corrections are necessary when the charged effort exceeds the documented effort by 5% or more. (A 1% tolerance level will apply for employees whose efforts are charged/cost shared at 100% to the project.) Detailed instructions are provided on the form.

      Employee payroll timesheets are used to document effort and appropriately charge wages for nonexempt employees contributing to sponsored projects. These forms should be submitted to the Human Resources Department as per the instructions of that office.

      If a sponsor requires additional reporting or an alternative reporting format, the Office of Grants and Sponsored Programs will notify the PI/PD.
b. Reporting Schedule
As of January 1, 2014, completed Effort Report forms are due from faculty and exempt staff once a semester, unless otherwise specified by the Office of Grants and Sponsored Programs.

Semester Due Dates
Fall       January 15
Spring     June 15
Summer     September 15

These forms should be submitted to the grants office by email.

Timesheets are due to Human Resources according to the schedule specified on the Payroll website.

c. Maximum Effort
The maximum effort for a faculty member depends on appointment type.

Maximum Effort by Faculty Appointment Type

<table>
<thead>
<tr>
<th>Appointment Type (or portion thereof)</th>
<th>Semester</th>
<th>Maximum Effort</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic Year</td>
<td>Fall/Spring</td>
<td>90%</td>
</tr>
<tr>
<td></td>
<td>Summer</td>
<td>2.75 months</td>
</tr>
<tr>
<td>Twelve-Month</td>
<td>Fall/Spring</td>
<td>90%</td>
</tr>
<tr>
<td></td>
<td>Summer</td>
<td>90%</td>
</tr>
</tbody>
</table>

Requests for exemptions should be made to the director of the grants office.

When appropriate, a PI/PD is permitted to budget staff members to sponsored projects at 100% effort. This maximum amount is permitted only if the PI/PD reasonably expects that, over the specified budget period, (1) no regular or frequent Excluded Activities are expected (except for the completion of payroll timesheets), and (2) the aggregate time spent on all Excluded Activities will be less than the de minimis value of 1%.

d. Recording Excluded Activities on Timesheets
If you are a nonexempt staff member and you conduct work that constitutes an Excluded Activity, you must record the hours associated with this activity on a separate time sheet, because your wages for these hours cannot be charged to the sponsored project. If you do not have a separate timesheet on which to capture the effort devoted to Excluded Activities, then you should proceed as follows:

i. If you anticipate that you will devote effort to Excluded Activities on a regular basis, contact the Human Resources Department to obtain a separate time sheet on which to record this effort. Initiate this contact prior to completing the timesheet assigned to the sponsored project account.
ii. If you anticipate that your work on Excluded Activities will be a single or seldom occurrence, instead of recording the hours associated with these activities on a separate time sheet, you may contact the Office of Financial Affairs to initiate a cost transfer. Make this contact prior to completing the timesheet assigned to the sponsored project account.

The PI/PD or department head will need to provide the appropriate office an alternate account number for the Excluded Activities.

e. Overtime
Employees are required to follow the University’s overtime and timekeeping policies specified in the Human Resources Manual. Before approving any overtime, the PI/PD must determine that either:

- The overtime is necessary for the reasonable completion of the sponsored project; or
- The overtime will result in lower overall costs to the sponsor.

The PI/PD must retain a written copy of this justification and make it available upon request to the University for a period of time consistent with the sponsor’s document retention policy.

If a nonexempt employee is paid from more than one account, the means by which the overtime charges will be distributed among those accounts will be determined on a case-by-case basis. Contact the Manager of Payroll and Benefits for additional information.

f. Certification
This Effort Report form must be certified by an employee with the ability to make a reasonable estimate of the effort expended on each sponsored project. The certifier may be the individual completing the work, the PI/PD, or in rare occasions, a dean or other responsible official.

g. Cost Transfers
A cost transfer will be required whenever an exempt employee submits a Effort Report that specifies an effort that is lower than the charged effort. Cost transfers may be required to correct other reporting errors as well (see below). It is the responsibility of the PI/PD to ensure that cost transfer forms for all contributors to the project are completed and submitted to Financial Affairs as requested by that office.

h. Corrections
Faculty/exempt staff: If an exempt employee discovers an error in an effort recorded on a Effort Report form, and the difference between the charged effort and the correct effort is 5% or more (1% or more for employees whose efforts are charged or cost shared at 100%), then the employee should notify the PI/PD and
the Office of Grants and Sponsored Programs in a timely manner. Notification to the grants office should be made in writing and should include the initially reported effort, the correct actual effort, and an explanation of the mistake.

Nonexempt employees: If an error is discovered in an effort reported on a payroll timesheet, the PI/PD should be notified in a timely manner. The PI/PD or his or her supervisor should notify the Human Resources Department in a timely manner. The notification should be made in writing and should include the initially reported effort, the correct actual effort, and an explanation of the mistake.

i. **Document Retention**

Copies of Effort Report forms will be stored in the grants office. Records of payroll timesheets for nonexempt staff charging or committing effort to the project will be maintained by the Human Resources Department.

Although the length of the required retention period may vary, it generally extends for three (3) years after the closeout of a federal grant or after final payment under a Federal contract. If any litigation, claim, or audit is started before the expiration of the three (3)-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.

3. **Training**

The Office of Grants and Sponsored Programs will offer training to each PI/PD for a new competitive award in which Effort Reporting is required. This training will include information about the University’s Effort Reporting Policy and instructions on completing Effort Report forms. Either the PI/PD or grants office may invite additional employees to attend this training session. It is the responsibility of the PI/PD to ensure that appropriate training is provided to every employee charging or committing effort to the sponsored project.

4. **Required Notifications**

The PI/PD should notify the Office of Grants and Sponsored Programs in writing and in a timely manner in each of the following circumstances:

- A key person reduces or plans to reduce his or her effort in a persistent manner by an amount that exceeds the Effort Reduction Threshold for the award. For most federal awards, this threshold is 25% of the agency-approved effort.
- The PI/PD plans to be or is otherwise absent from the project for a continuous period of more than 90 days.
- Any faculty member charging or committing effort to the project plans to take sabbatical leave during the award period.

See Section A.2(h) for notification procedures regarding corrections to timesheets and Effort Reports.
5. **University Tolerance Threshold**  
The University Tolerance threshold has been established by the Office of Financial Affairs to be (less than) five absolute percentage points (5%). **This tolerance threshold applies to exempt employees only.** Further, for exempt employees whose effort is charged to and/or cost shared for a sponsored project at 100%, this threshold is reduced to 1%. PI/PDs will be informed of any changes in these tolerance thresholds by the Office of Grants and Sponsored programs.

B. **EXAMPLES**

1. **Effort**
   1.A A research technician devotes five hours a week exclusively to a sponsored project. If during the grant reporting period, his average workweek consists of 50 hours, and the five hours he devotes to the project are for allowable activities, his reportable effort on the project is 5/50 × 100% = 10%. (The denominator is not based on the Loyola standard workweek of 37.5 hours, but on the duration of his average workweek.)

1.B A PI/PD is afforded a course release for the fall and spring semesters so that he may devote adequate time to a sponsored project. Based on the University’s published standard of a 4/4 course load, the PI/PD specifies his effort on the sponsored project as 25% on his Effort Report. Is this the correct way to determine effort? **Absolutely not!** Firstly, in practice, not every faculty member is assigned four courses a semester during the academic year. Secondly, not every course requires the same time commitment. Thirdly, in addition to teaching commitments, faculty members have administrative duties, usually including committee service. While sponsoring agencies do not prescribe methods for calculating efforts, they do require that effort reporting be based on individually determined efforts, not standard formulas.

2. **Effort Reduction Threshold**
   2.A In an NIH grant application, the University specifies that the PI/PD or another key person will devote 30% effort to a research project. The Effort Reduction Threshold for this award is 25%. The project is funded later than expected, and by the time the award notice is received, the PI/PD has only 10% effort available to devote to the project. Has the Effort Reduction Threshold been met? Yes, the absolute difference in effort is 20%, but this difference represents 66.7% of the effort specified in the application. As such, this reduction should be reported to the grants office.

2.B For the above-specified project, a laboratory technician expects to reduce his effort by 50%, from 30% to 15%. This reduction will be on a long-term basis. Unless the laboratory technician is designated as a key person for the project, the situation does not require agency notification.
3. Institutional Base Salary
   3.A For a faculty member with an academic year appointment, the base salary does not include summer salary. In contrast, for a faculty member on a twelve-month appointment, the base salary is the annual salary.

   3.B If a faculty member who earns $80,000 for his or her normal academic appointment receives a $7,000 supplement to serve as a department chair, the institutional base salary is $80,000, not $87,000. The Total Compensated Effort (for the normal academic appointment) would not include any effort devoted to chairing the department.

4. University Tolerance Threshold
   4.A According to the budget, 20% of a PI/PD’s effort is charged to a project. On his Effort Report form, he (a faculty member) can certify that 20% is reasonable as long as the actual documented effort devoted to the project was determined to be greater than 15% and less than 25%.

   4.B According to the budget, 20% of a PI/PD’s effort is charged to a project, but he can document that only 15% of his effort was actually devoted to it. In this case, the charged effort differs from the actual/documentated effort by 5% or more, and he must report a correction on his Effort Report.

5. Changes in Effort
   5.A Prior to completing his Effort Report form, a faculty PI/PD determined that he devoted 20% effort to a sponsored project. In completing his Effort Report form, he specified that the charged effort of 20% was accurate. However, in reviewing his documentation and calculations, he realized that he devoted only 14% of his effort to that project. Does he need to report a correction? Yes, the difference between the initially reported effort and his correct actual effort is 6%, which exceeds the tolerance threshold. The correction should be reported to the grants office.

   5.B. A part-time employee who earns hourly wages submits a timesheet indicating that 26 hours were devoted to a sponsored project. The next day, she realizes that one of the hours she reported was devoted to an Excluded Activity (grant proposal preparation) and should not have been charged to the project. The actual and initially reported efforts disagree by less than 5%. Should she inform the PI/PD? Yes, because the University Tolerance Threshold does not apply to nonexempt employees.

C. CONTACT INFORMATION
   For more information about these procedures and examples or if you would like to suggest improvements, please contact Heidi Davis or a coordinator within the Office of Grants and Sponsored Programs, Marquette Hall 301. For questions about cost transfers, contact Tootie Buisson within Financial Affairs, Marquette Hall105. For questions about payroll timesheets, contact Donna Rochon, Manager of Payroll and Benefits, Marquette Mercy Hall 102.