Aspen Center for Physics
Time and Effort Training

Employee Requirement to Adequately
Time & Effort for Federally Sponsored Projects

Revised:
June 2014
Training Objectives

• Learn what Time and Effort is for federally sponsored projects
• Learn how to do your Time and Effort Study and why we need it
• Learn about the new time sheet requirements
Why do we do this?

- Time and Effort drives the entire ACP budget
What is a federally sponsored project?

- A sponsored project describes activities for which funding is received by a source outside of the Center.
- Programs support the Center’s objectives and programs and are usually awarded as grants.
- Generally involve a detailed level of financial accountability, including statements of work, project periods, budgets, audits, reporting, etc.
- Sponsored projects in the form of grant or contracts are generally called “Awards.”
Common Types of Sponsored Projects

• **Grants:** Financial assistance mechanism awarded to carry out an approved project or activity (usually research)

• **Contracts:** A mechanism for procurement of a product or service with specific obligations from both the sponsor and the university

• **Cooperative Agreements:** Financial assistance mechanism used when sponsor anticipates substantial programmatic involvement during award activities

• **Gifts:** Least restricted funds given to institutions
Who are the sponsors?

Sponsoring Agencies

Government
- Federal
  - Cabinet Level Agency
  - Independent Federal Agency
- Non-Federal
- Not For Profit
  - Foundations
  - Associations
  - College/University

Non-Government
- State
- Local
Common ACP Sponsors

• Federal Sponsors:
  – National Science Foundation (NSF)
  – Department of Energy (DOE)
  – Office of Naval Research (ONR)
  – NASA

• Foundations:
  – Simons Foundation
  – Moore Foundation

• Industry:
  – Hamamatsu
  – Nikon
  – Journals
  – Etc

• Individuals
  - Ramond Family
  - Block Fund
  - Shaham/Trustee
What is Effort?

- **Certification of effort** is an OMB Circular A122 federal requirement which you agree to when you accept a federal contract or grant. We capture certification of effort on an Effort Report.

- **This requirement is designed to ensure that:**
  1. The percent of effort you expend on each project is not less than the percent of effort you committed to the sponsor to spend on the project.
  2. The percent of effort you expend on each project is not less than the percent of salary charged to the project (taking into account over-the-cap salary limitations and other factors).

- **Effort** is expressed as a percentage of total time spent on work-related activities (gardening, paying bills, helping physicists, making coffee, stocking the store, administration, etc.) for which the Center compensates you.

- Effort always equals 100% regardless of the number of hours worked or the percentage of the appointment. The government does not make assumptions about number of hours in a work week – they only care about how those hours in total over the certification period were spent on each activity.
What is Effort Reporting?

- **After-the-Fact Effort Reporting** is the method the Center uses to certify to federal sponsors that the effort spent on a project is equal to the salaries actually charged plus cost sharing.

- Incomplete or improper effort reporting is a compliance violation that could result in audit disallowances and/or withholding of federal research funding.

- Payroll distributions in the payroll system are used initially as a method for distributing the salary charges based as an estimate of the effort that was expended in support of various activities in which the individual is engaged.

- The **Effort Report** requires you to explicitly certify the percentage of effort expended on each federally funded project and compares this to the percentage of salary charged to each project.
Effort Reporting Requirements

- Effort Reports must be **certified within 120 days** of the end of the reporting period.

- Effort Reports must be certified by a person who has **first hand knowledge of the effort performed and the benefiting federally sponsored project(s)**. Examples of those with first hand knowledge are the Principal Investigator, the person who performed the work (e.g., Self-Certifiers), or the person directly supervising the effort.

- Acceptable practice is to certify Effort Reports with a preciseness tolerance of +/-5 **percentage points** per activity. [For example, if an Effort Report lists effort at 30% on a project, you can certify it without any changes if actual effort was between 25% and 35% for that project during the reporting period.]
More Effort Reporting Requirements

• Institutional disallowances can result if:
  • 1) The effort report was certified by an individual other than the employee or someone who has “first-hand” knowledge of 100 percent of the employee's time;
  • 2) The effort report does not encompass all of the activities performed by the employee under the terms of their employment;
  • 3) The levels of effort reported do not appear reasonable, given the responsibilities of the individual
More Requirements

- Individual disallowances can result if:
  - 1) The effort report certified by the individual is found to be falsified;
  - 2) The levels of effort reported do not appear reasonable.

- As evidenced above, federal audit disallowances can result in serious financial penalties for institutions. In addition, criminal charges may be brought against an individual certifying to falsified effort.

- Current audit plans for federal auditors include effort reporting as a specific audit focus.
PI and Reviewer Responsibilities

• The PI is responsible for ensuring the data on each Effort Report is correct before certifying. PIs should work closely with their Reviewer throughout the life of an award to ensure that payroll and effort is recorded and reported correctly.

• The Reviewer is responsible for reviewing all of the Effort reports and modifying those reports as needed. At ACP the Certifier is the Reviewer.

• Specifically, the Reviewer ensures the following data is correct:

  • Payroll matches what the sponsor committed to pay and any changes communicated by the PI, including pending Payroll Expense Transfers.

  • Effort spent by the individual is appropriately reflected on the Effort Report for each project. The employee’s commitments on federal projects are indicated on key documents including proposal budgets and justifications, awards, sponsor letters about effort, and the Other Support page.
Why We Must Comply

• Northwestern University paid $5.5 million to settle issues related to problems with effort reporting, on a contracts and grants base of $325 million;

• South Florida returned $4.1 million to the federal government to settle a number of charging issues, including effort reporting;
Specific Effort Reporting Compliance Problems

- Lack of any effort reporting system. Institutions that are relatively new to research, or those whose research activity has increased rapidly in recent years, sometimes wake up to realize that the task of creating a compliant time and effort reporting system has been overlooked or deferred for too long. Obviously, these institutions are the ones that are most exposed to liability, in the form of cost disallowances and allegations of fraud or abuse. The only good news here is that an institution in this position has an opportunity to build its effort reporting system from scratch, avoiding some of the deficiencies of systems that were put in place decades ago.
Even More Why

◆ Failure to distribute and collect effort forms. Even the best thought-out time and effort system will be worthless if those who are required to complete time and effort reports do not do so, or if the information in the reports does not get to the right place at the right time. This point may seem too obvious to mention, but the fact is that the task of collecting time and effort information on a timely basis is by no means a trivial one, and the effort systems of many institutions break down at this point in the process.
Time & Effort Study

• In order to document how our time is spent we have to study it.
• For the next month, starting June 16, we all need to fully document our time spent at the Center.
• You can do this on paper or on the computer.

• Here’s what you need to know:
First Time is divided between 4 Programs

<table>
<thead>
<tr>
<th>Program #1</th>
<th>Physics Programs – Most of the Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program #2</td>
<td>Outside Conferences – C++, small non-profit uses of our space</td>
</tr>
<tr>
<td>Program #3</td>
<td>Public Lectures</td>
</tr>
<tr>
<td>Program #4</td>
<td>Fundraising including Store, Espresso, Coke, etc.</td>
</tr>
</tbody>
</table>
Next, Each Program Has Different Funding Sources

- **Program #1 Physics**
  - **NSF**
  - **Simons Foundation**
  - **Moore Foundation**
  - **DOE, etc.**
How do You Know to Which Fund to Attribute Your Time?

You have to track your time by funding source only for the T&E study which will be one month in the summer and one month in off season and maybe one month in the winter.

Summer is easy because we have two funds for Program #1.
1) NSF
2) Simons
NSF vs. Simons

The only time you would spend on the Simons fund is to take a travel receipt from a Simons recipient and verify it. Or you might accept a payment from a Simons recipient. Mark the Simons column on your study if you are working with a Simons recipient.
# Program #1 – Physics Programs

<table>
<thead>
<tr>
<th>Summer</th>
<th>Winter</th>
<th>Off-Season</th>
</tr>
</thead>
<tbody>
<tr>
<td>For summer, if you are doing anything for the Physics Program that</td>
<td>For winter, it will get more complicated to track time because we may</td>
<td>During the off-season if you are working on anything that furthers the</td>
</tr>
<tr>
<td>furthers the goal of holding physics meetings, and it’s not with a</td>
<td>have participants who receive Moore, DOE or other funding. An example</td>
<td>goal of holding physics conferences and workshops, your time goes to</td>
</tr>
<tr>
<td>Simons participant, it’s NSF time. Housing, bikes, etc.</td>
<td>will be Steve Block’s conference. It will be impossible to know if you’re</td>
<td>Program #1</td>
</tr>
<tr>
<td></td>
<td>are talking with a Moore recipient, so we’ll do that by week and</td>
<td></td>
</tr>
<tr>
<td></td>
<td>portion the funding for the whole week.</td>
<td></td>
</tr>
<tr>
<td>Summer &amp; Winter</td>
<td>Off-Season</td>
<td></td>
</tr>
<tr>
<td>-------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>There are almost no outside activities in the summer or winter so this will</td>
<td>If you are working on any outside activity or conference unrelated to the goal of Program #1, holding physics meetings, you will report it in this column</td>
<td></td>
</tr>
<tr>
<td>rarely come up</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bike Manager time for C++ would be noted here.</td>
<td>This funding source is simple so you need only mark your time and not worry about funding (such as NSF vs. Simons)</td>
<td></td>
</tr>
</tbody>
</table>
# Program #3 – Public Lectures

<table>
<thead>
<tr>
<th>Summer &amp; Winter</th>
<th>This might include</th>
</tr>
</thead>
<tbody>
<tr>
<td>Any work on Public Lectures goes here.</td>
<td>Preparing the programs</td>
</tr>
<tr>
<td></td>
<td>Editing the programs</td>
</tr>
<tr>
<td></td>
<td>Folding the programs</td>
</tr>
<tr>
<td></td>
<td>Giving out the programs at the lecture</td>
</tr>
<tr>
<td></td>
<td>Interviewing lecturers</td>
</tr>
<tr>
<td></td>
<td>Buying supplies for the lecture</td>
</tr>
<tr>
<td></td>
<td>Working on notifying the public about the lecture</td>
</tr>
<tr>
<td></td>
<td>Emailing our friends list</td>
</tr>
<tr>
<td></td>
<td>Working with media on public notices</td>
</tr>
<tr>
<td>This funding source is also simple so you don’t need</td>
<td>No need to note this on your time study.</td>
</tr>
<tr>
<td>to divide your time between funders. In the summer NSF</td>
<td></td>
</tr>
<tr>
<td>pays. In the winter the DeWolf Foundation pays.</td>
<td></td>
</tr>
<tr>
<td>No need to note this on your time study.</td>
<td></td>
</tr>
</tbody>
</table>
# Program #4 – Fundraising

<table>
<thead>
<tr>
<th>Summer &amp; Winter</th>
<th>This might include</th>
</tr>
</thead>
<tbody>
<tr>
<td>This includes:</td>
<td>Stocking the store, espresso, coke machine or pastries</td>
</tr>
<tr>
<td>1. Our money-producing activities like store, espresso, summer pastries, winter lifts</td>
<td>Selling any of the above</td>
</tr>
<tr>
<td>2. Work on the Block, Shaham, Trustee, Ramond or Bike Funds</td>
<td>Selling lift tickets in the winter</td>
</tr>
<tr>
<td>3. Actual fundraising</td>
<td>Writing thank-you notes for donations</td>
</tr>
<tr>
<td></td>
<td>Accepting donations</td>
</tr>
<tr>
<td></td>
<td>Issuing checks for recipients of any of these funds</td>
</tr>
<tr>
<td></td>
<td>You do need to note different activities on your time study in Program #4 – So How Do You Know?</td>
</tr>
</tbody>
</table>
## Time Study Grid

<table>
<thead>
<tr>
<th>Date</th>
<th>Time in</th>
<th>Time Out</th>
<th>Hrs</th>
<th>Task</th>
<th>Program #1</th>
<th>Pgm2</th>
<th>Pgm3</th>
<th>Program #4</th>
<th>Direct</th>
<th>Indirect</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014 Paula Johnson</td>
<td>9:15</td>
<td>11:30</td>
<td>2.25</td>
<td>Bethe Computer/Internet</td>
<td>2.25</td>
<td></td>
<td></td>
<td></td>
<td>2.25</td>
<td>2.25</td>
</tr>
<tr>
<td></td>
<td>11:30</td>
<td>1:00</td>
<td>1.5</td>
<td>Policy Development Matrix</td>
<td>1.5</td>
<td></td>
<td></td>
<td></td>
<td>1.5</td>
<td>1.5</td>
</tr>
<tr>
<td></td>
<td>1:00</td>
<td>1:15</td>
<td>0.25</td>
<td>Time Sheet</td>
<td>0.25</td>
<td></td>
<td></td>
<td></td>
<td>0.25</td>
<td>0.25</td>
</tr>
<tr>
<td></td>
<td>1:15</td>
<td>1:30</td>
<td>0.25</td>
<td>Code bills to pay</td>
<td>0.25</td>
<td></td>
<td></td>
<td></td>
<td>0.25</td>
<td>0.25</td>
</tr>
<tr>
<td></td>
<td>1:30</td>
<td>2:30</td>
<td>1</td>
<td>Bethe Internet</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2:30</td>
<td>2:45</td>
<td>0.25</td>
<td>Training Manual prep planning</td>
<td>0.25</td>
<td></td>
<td></td>
<td></td>
<td>0.25</td>
<td>0.25</td>
</tr>
<tr>
<td></td>
<td>2:45</td>
<td>3:00</td>
<td>0.25</td>
<td>Front desk</td>
<td>0.25</td>
<td></td>
<td></td>
<td></td>
<td>0.25</td>
<td>0.25</td>
</tr>
<tr>
<td></td>
<td>3:00</td>
<td>3:15</td>
<td>0.25</td>
<td>Take Simons Receipt</td>
<td>0.25</td>
<td></td>
<td></td>
<td></td>
<td>0.25</td>
<td>0.25</td>
</tr>
<tr>
<td></td>
<td>3:30</td>
<td>4:00</td>
<td>0.5</td>
<td>SAM update</td>
<td>0.5</td>
<td></td>
<td></td>
<td></td>
<td>0.5</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4:00</td>
<td>5:00</td>
<td>1</td>
<td>W/Karin: Trainings/P&amp;P manual</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td>7.5</td>
<td></td>
<td>7.25</td>
<td>0.00</td>
<td>0.00</td>
<td>0.25</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>% to each fund source</th>
<th>Accounting</th>
<th>Computer incl web</th>
<th>Database</th>
<th>Suspension</th>
<th>Other</th>
<th>Direct NSF Program</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>97%</td>
<td>10%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fund</th>
<th>0.75</th>
<th>3.25</th>
<th>0.25</th>
<th>7.25</th>
<th>100%</th>
<th>7.5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting</td>
<td>10%</td>
<td>45%</td>
<td>3%</td>
<td>41%</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Database</td>
<td>0%</td>
<td></td>
<td>0%</td>
<td></td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Suspension</td>
<td>0%</td>
<td></td>
<td>0%</td>
<td></td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>0%</td>
<td></td>
<td>0%</td>
<td></td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Direct NSF Program</td>
<td>0%</td>
<td></td>
<td>0%</td>
<td></td>
<td>0%</td>
<td></td>
</tr>
</tbody>
</table>

| Total                | 0.0%       | 0.0%              | 0.0%     | 0.0%       | 100%  | 7.5               |
# Program #4 Summer “Fundraising”

<table>
<thead>
<tr>
<th>Fund</th>
<th>What Might Get Charged</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments</td>
<td>The Adm VP might do a deposit, transfer, the Fin Mgr will do posting</td>
</tr>
<tr>
<td>General Fund</td>
<td>Use this for the store, coke, espresso, pastries, taking bike donations (working on bikes should be Program #1 because it furthers the goal of holding physics programs)</td>
</tr>
<tr>
<td>Shaham</td>
<td>Mostly Adm VP, Fin Mgr and Office Asst will either allocate Shaham funds or write checks or account for them. You generally know if you’re working on these</td>
</tr>
<tr>
<td>Trustee</td>
<td>Same for Trustee Funds</td>
</tr>
</tbody>
</table>

To Sum Up Programs and Funds for the Time and Effort Study
Summer Funds

Program #1
NSF Grant
Or Simons Foundation

Program #2 & #3 – Just charge time to the Program, no need to break out funding source

Program #4
Donations – Bikes, Shaham, Trustee
Investment Work
General Fund Espresso Pastries Coke Store
All Sources of ACP Funds

Based on ACP Fiscal Year 2013
The Third Step

• First you identified the work you did by program
• Second you identified the work by funding source
• Third you will identify if the work is direct or indirect work for the program

• Here is the difference between direct and indirect:
Direct Time

Direct Time is spent furthering the goals of the Program

To Review:

Program #1 – the goal of producing Physics Programs – Examples of Direct Time:
Bikes
Coffee
Talking with Physicists, taking money
Sending Emails
Doing Admissions
Housing

Anything that furthers the goal of making the summer workshops and winter conferences happen
Direct Time – Programs #2,3,4

- Program #2 – Direct time for Outside Conferences would be time spent preparing the building, working with the building users.
- Program #3 – Public Lecture Direct time is interviewing, preparing the flyers and programs, arranging the lectures, dealing with public lecture dinners, distributing programs, doing email or adding email addresses we get at public lectures.
- Program #4 – Direct time is time spent selling espresso pods, t-shirts, and other Program #4 activities. All time for this category will be direct.
Indirect Time

Benefits all Programs

Examples:

Gardening
Recycling
Reviewing Insurance
Accounting
Unclogging Toilets – Repairs and Maintenance
Cost Sharing

• If you find you are doing an activity that does not benefit all four programs, but it does benefit two or three programs, we will have to account for that with Cost Sharing

• If you find you are engaged in such an activity, consult with the Finance Manager about how you will handle this on your Time Study or your Time Sheet
Time Sheets

• Once the Time & Effort study is done for the summer – after two pay periods, we will start using regular Time Sheets
# Time Sheets – after the Study

**Employee Time Sheet**

<table>
<thead>
<tr>
<th>Day of Week</th>
<th>Date</th>
<th>Use Quarter Hours - Time In</th>
<th>Time Out</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Less Lunch or Personal Time</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Time = Total Time Below</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

**Summary of Work Hours**

<table>
<thead>
<tr>
<th>DIRECT Program and Grant Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project #1 Physics Programs</td>
</tr>
<tr>
<td>Project #2 Outside Conferences</td>
</tr>
<tr>
<td>Project #3 Public Lectures</td>
</tr>
<tr>
<td>Project #4 Fundraising</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>INDIRECT ACTIVITIES - Benefit all Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paid Vacation Time</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Time</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Employee Signature</th>
<th>Date</th>
<th>Supervisor Signature</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Payroll Information**

<table>
<thead>
<tr>
<th>Gross Paid</th>
<th>Net Paid</th>
<th>Check #</th>
<th>Check Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Time Sheet Review/Certification

Be sure your time is complete
Then give to the Adm VP to Review and Certify
Go-Fers

• What about go-fers?
• In light of what we’ve talked about, how can we monitor their time?
Tricks for Doing Your Time Study

Be conscious

Accept that we have to do it and deal!

Note down an activity when you start it

When you’re at your computer, as you finish a task, do your time

Include entering time on your time sheet in the activity you’re entering

Don’t leave for the day until you do your time sheet – we have to do this only a month at a time

If you’re all over the place, make a mental note or keep a sticky and write it down

If all else fails make a best-guess estimate, but try, try, try. We can’t comply if we don’t have evidence and you’re the only one who can give that to us