EFFORT REPORTING: BEST PRACTICES AND KPIs
(Key Performance Indicators)
AT-A-GLANCE

The following serves as an ECU guide to assist departments in meeting effort reporting standards and best practices. For additional information, please contact your OGC representative or email grantsc@ecu.edu. Also see effort reporting policy and additional training materials on effort reporting procedures. For technical questions about the effort reporting system (ERS) contact ershelpdesk@ecu.edu.
THE BEGINNING: EFFORT REPORTING

- Good effort reporting practices begin with good internal communications.

- Who should be involved in your department? – PI, effort coordinator, payroll coordinator, HR coordinator, individual employee, another department’s contact for cross-departmental awards, grant accountant, etc.

- When developing your departmental procedures, discuss and determine what role each person plays in the internal process and what tasks they are responsible for completing.
THE BEGINNING: EFFORT REPORTING

- Good effort reporting practices begin at the time of the proposal/award.

- Maintain spreadsheet/documents of proposed effort commitments and grant proposal budgets. Include both projected paid and cost shared effort.

- When awards are received add additional information (e.g. FOP) and adjust data (time periods, $ amounts, % amounts, individuals), as needed.
Recognize that effort reporting is an on-going process, not a one time activity.

Data items may need to be updated monthly.

HR actions may need to be taken monthly.

Accounting corrections may need to be made monthly.

Communication needs to be constant...check for changes, check for info, advise deadlines, advise issues, look for problems, review accuracy, etc.

Ensure that any/all are aware of activities, procedures, needs, deadlines, problems, etc.
PRIOR TO AWARD

- PIs need to advise departmental administrators of proposals, awards, and commitments in process. Early notification reduces effort reporting problems and potential audit issues.

- Establish advance funds (Letters of Guarantee) whenever possible.

- Do not wait for the final award receipt to start the discussion and review process for effort reporting.

- Process HR documents (PCF, EPAF) as far in advance as possible of the actual anticipated work start date.
UPON AWARD

- Verify effort/payroll/cost share information and update your tracking spreadsheet.

- PI and administrator need to coordinate on establishing projected pay cycles and individuals for paid and cost shared effort. Remind any/all about effort reporting each effort cycle.

- Identify individuals and pay periods for proposal “to be determined” individuals.

- Review full award terms and conditions for any special notices re effort, rebudgeting or cost share requirements. Note on your spreadsheet and discuss, as needed.
Review some of the basic policy requirements to note on spreadsheet for effort review:

**Examples:**

- PIs must normally show some level of effort on every award (even fixed fee awards or awards without a detailed personnel budget).
- For federal awards PIs and other key personnel may not reduce effort by more than 25% without specific sponsor authorization. Contact OGC for questions/actions needed.
- PIs normally cannot be paid 100% on sponsored projects. Contact OGC for exceptions (allowed for part-time faculty only).
Overloads are not allowed on sponsored projects. Salary charged to a grant must be an appropriate % of the individual’s base institutional salary.

NIH and other sponsors may have salary caps on how much the grant may be charged. Salary caps are mandatory cost share.

NSF normally limits faculty salary charged to the grant to the equivalent of 2/9ths annual salary (no matter when paid). Other sponsors may have similar restrictions. As a result of such limitations, there may be mandatory cost share.
For federal awards, the PI may not be absent (not provide effort) for more than 90 days without specific sponsor authorization. Therefore, PIs normally will have to show some level of effort (paid or cost share) for every effort period. This should be reviewed in parallel with the 25% rule.

For federal awards, admin/clerical/managerial salaries normally cannot be charged. Verify job title/duties of any/all to be charged to the grant before processing EPAF. Do not process payroll without an authorized exception.
If any individuals to be paid or cost shared are not from your department – contact the other department and discuss to determine coordination procedures for payroll and effort certification. Note important information on your spreadsheet.

If your FOP is the master award and master PI but the other department has their own FOP it is extremely important to communicate and discuss across departments and to advise master PI as issues, concerns, expenditures, and effort questions arise.

Make sure that PCF/EPAF is processed as quickly as possible for any new positions or new hires. Remember, anyone to be paid on a grant must have a grant position #. You may not be able to certify effort or charge salary to a grant if not processed on a timely basis.
EFFORT REPORTING PERIOD

- Prior to the receipt of certifications – review your spreadsheet to look for individuals who need to certify.

- Prior to the receipt of certifications – review policies and procedures so that you can immediately begin processing reports when released by ERS.
  - Contact ershelpdesk@ecu.edu for technical system questions.
  - Contact your OGC representative for policy clarifications.

- Prior to the receipt of certifications - contact everyone in your department and ask them to let you know if there are any new commitments they have made or:
  - Any pending projects for which they need to show effort in the coming period or
  - Any projects they are working on for which a FOP has not yet been established or
  - Any projects that they are working on with a collaborator in another department.
  - As needed, update your spreadsheet.
PRE-REVIEWER: ROLE

Upon receipt of certifications from ERS:

- Review your spreadsheet and your ERS queue. Look for individuals not in your queue that need to be added - contact ershelpdesk@ecu.edu to add individuals. (Remember cost share individuals may not appear in initial download!)

- Review your ERS queue to look for individuals that you don’t think should be in your queue – contact ershelpdesk@ecu.edu for assistance if you think someone should not be in your queue.

- Contact your collaborating department(s) and remind each other of coordination/communication needed to complete certifications.

- Note due date for completion of processing. Late completion is an audit finding and subject to costs being disallowed.
PRE-REVIEWER ROLE cont...

- Review spreadsheet and prior communications with PI and/or other individuals.
- Note ERS corrections that may be needed. Might be a cost transfer or could be a cost share to be reported – determine which before processing.
- Discuss potential corrections with PI and/or other appropriate person (might be employee/certifier).
- Make necessary adjustments in ERS.
- Discuss with PI/Certifier if end product is complete/accurate before forwarding for actual certification processing.
- Advise certifier “not to certify” if they have questions or think that additional adjustments are needed. They should discuss with you before completing certification.
- Finalize any necessary adjustments then release to certifier for processing.
- Remind everyone of due date.
PRE-REVIEWER ROLE cont...

- When reviewing spreadsheet and ERS review the “health of the award” as well as your effort process.

- Look for awards that may be terminating within this effort period. Is all payroll in this effort period within the term of the award?
  - Will a transfer be necessary?

- Look for awards that may be terminating shortly after effort period.

- Based on the award timing, expenditure projections may need to be reviewed/adjusted or cost transfers may need to be processed or cost share may need to be validated or EPAFs may need to be adjusted for future periods or no cost extensions may need to be requested.

- The effort process should serve as a trigger to also review other aspects of project management and to avoid other grant management or KPI problems.
CERTIFIER: ROLE

- Certifier should not hit the submit/certify button unless absolutely sure that is what they want to report. Certifier should carefully review the report. Once certified, effort cannot be changed at a later date.

- Certifier should not certify or complete the process if they:
  - Are unsure of what the information means or don’t understand the process (why, what, etc.)
  - Believe that something is in error
  - Believe that something may be missing (could be paid or cost share)
  - Are working on a sponsored activity that’s not reflected
  - Are working on a sponsored activity that has not been awarded but is anticipated to be received for this reporting period
POST-REVIEWER: ROLE

- If the certification process has been completed accurately (assumes previous issues re communications and pre-review corrections have been addressed) – There will be no need for a post-review activity/transaction.

- Post review activity/transactions only occur when a certifier makes a change to the effort report.

- If there is a need for post-review transactions, the department should review the “whys” and analyze iew pre-review/certify procedures in place so that this can be avoided in future effort periods.
DEPARTMENTAL EFFORT COORDINATOR

Review the ERS queue on an on-going basis throughout the reporting period:

- To assure all certifications are completed on a timely basis.
  - Payroll may be disallowed if certification is not completed by deadline.
  - Late certifications will be reported as a KPI issue.

- To identify problem issues so that they can be addressed/fixed prior to the deadline.

- To distribute deadline or other information reminders to individuals with outstanding certifications.

- To contact ERS for technical assistance, if needed, well in advance of deadline.
Review the number of cost transfers being processed as part of ERS. While it is anticipated that there might be some cost transfers-Most cost transfers should be through Banner HR redistributions, and processed prior to the close of the effort period, as based on monthly expenditure reviews.

ERS is not supposed to be used as a primary accounting tool. Departments should have other safeguards in place to assure that the initial effort report is as correct as possible—needing only minor adjustments and to report cost share.

Management by cost transfer is, in itself, a potential audit and KPI issue. Too many transfers may indicate a lack of appropriate oversight and internal review systems.
ON-GOING

- Keep track of award beginning and end dates to make necessary PCF/EPAF corrections ahead of time.
- Process PCF/EPAFs prior to (in time for) the anticipated payroll start date.
- PCF must be established prior to the effort period or costs cannot be reported within the effort period.
- Review payroll expenditures on a monthly basis to assure costs are being posted to the appropriate FOP and that the effort certification will be as correct as possible prior to the ERS process.
- Make necessary corrections by Banner HR Redistribution prior to the close of the effort period.
- Make sure that EPAF and award term date are in sync and that necessary funding changes are processed prior to the award term date.
COST TRANSFERS

- All cost transfers/salary redistributions must be processed within 90 days (of the salary paid date).
- Whether processed through ERS or through Banner HR Redistribution...the 90 day rule applies.
- Transfers > 90 days will be reported as KPI and are an audit issue.
- Transfers > 90 days may not be allowed.
QUESTIONS?

For questions about effort reporting and/or KPIs, please contact your OGC Representative or email grantsc@ecu.edu. For technical questions about the effort reporting system (ERS), please contact the ERS Help Desk at ershelpdesk@ecu.edu.