



# VANDERBILT UNIVERSITY

## EFFORT REPORTING ADDITIONAL INFORMATION/FAQS

### THE CURRENT ENVIRONMENT

A combination of findings through federal audits, voluntary disclosure by selected institutions, and whistleblower complaints alleging violations of the False Claims Act, have raised concerns among various federal and state agencies that institutional policies and procedures may be inadequate to assure compliance with the myriad of governmental rules and regulations that must be followed conducting research funded by the government. Particular elements of concern include the inaccurate distribution of effort across funders; supplemental pay; vacation during the summer; and time spent, particularly during the summer months, on proposal writing.

In light of several significant audit findings against some of our peer institutions that resulted in multi-million dollar settlements with the government, Vanderbilt's leadership has determined we must do more to address the core issues and ensure that, going forward, Vanderbilt is fully in compliance with federal regulations.

○ Examples:

- **Proposal Writing** - Review of costs claimed by Dartmouth College available at: [www.oig.hhs.gov/oas/reports/region1/10401506.htm](http://www.oig.hhs.gov/oas/reports/region1/10401506.htm).
- **Effort Reporting** – Review of a number of NSF audits available at: [www.nsf.gov/oig/auditpubs.jsp](http://www.nsf.gov/oig/auditpubs.jsp). The audits of University of Pennsylvania and Cal Tech in particular address questions of effort reporting.

This is considered one of the highest priorities for the institution, moving forward.

### WHAT NEEDS TO BE ADDRESSED

- Your effort report must include all of the activities in which you engage as part of your work for the university – your “full workload,” or *total professional effort*.
- The federal government views “100% effort” as meaning *all* institutional effort during the defined period, independent of hours worked.
  - Effort percentages must be based on the actual amount of time spent on your work activities, even where the number of employed hours each week substantially exceeds a “normal” work week of 40 hours.
- Your effort report must therefore include all of the activities in which you engage as part of your work for Vanderbilt. In addition, it must correspond to the actual effort expended in the defined period.
  - Your 100% effort must be fully incorporated into your academic year PAF and your Summer Pay Form.
  - This includes (but isn't limited to) instruction, research, Vanderbilt-related public service, and significant and continuing administrative duties, including those paid via administrative supplement, as well as those not compensated separately.

- Examples of salary supplements: Department chair; center or program director; participating in Vanderbilt Visions; curriculum development for an institute or center.
- Examples of service compensated by base salary: University or Faculty Senate committees; dissertation and thesis committees; mentoring graduate students and postdocs.
  
- Activities such as outside professional work, volunteer community work, service on peer review panels, and leadership in professional organizations are examples of activities that are typically considered outside the University and, thus, are *excluded* when determining your percentage of effort, i.e. it is service not performed for or compensated by the University.
  
- Federal regulations prohibit you from allocating 100% of your effort in any given month to research if, during the same time period, you have Vanderbilt-related non-research (or non-grant-funded research) responsibilities that require allocation of effort.
  
- Summer Vacation
  - You cannot charge salary to grants or contracts for time spent on vacation, including vacation during June, July, or August.
  - In any given summer, you may charge no more than 85% of 3 months' salary to federal grants or contracts, presuming you expect to take a vacation during the summer months.
  - Vanderbilt will allow you to charge 100% of effort to grants, providing you certify *in writing* that no vacation will be taken during the summer months.
  - The written certification must be made to your dean, and updated annually.
  - If you charge 100% of your time during these months to grants or contracts, you must actually spend 100% of your time working on those grants and contracts so noted.
  
- Proposal Writing
  - In most instances, you are not permitted to charge salary to grants or contracts for time spent writing proposals. This includes the time devoted by postdocs and research associates supported 100% throughout the year via grants or contracts.
  - For faculty on 9-month appointments whose only support in the summer is via grants or contracts, and for postdocs, research associates, and any others supported 100% throughout the year via grants or contracts, you may not spend time writing proposals during time that you are being paid to work on a grant or contract.
  - **If you have any questions** about what proposal writing is and isn't allowed, check with Jerry Fife, Tim McNamara, or Dennis Hall for clarification.

## RESPONSES TO POSSIBLE QUESTIONS

- **Are these new requirements?**
  - No, they have been in place for years. However, increased scrutiny by governmental regulators and a changed regulatory environment requires that educational institutions be more diligent in monitoring their own compliance with these long-standing rules.
  
- **Are we being singled out?**
  - No. Vanderbilt is not unique in needing to examine and improve its compliance efforts in order to withstand the higher level of scrutiny by federal auditors, nor are we alone in being subject to audit.
  - We are in some respects victims of our own success. By rising in national rankings across several metrics, we have become more visible and thus more likely to be subject to an audit or an investigation.
  
- **Are these just bureaucratic requirements developed by administrative offices?**
  - No. These policies and procedures have been developed jointly by the associate provosts for Faculty and Research & Graduate Education and the deans of Arts & Science, Engineering, and Peabody College, in consultation with the General Counsel's Office and the Office of Contract and Grant Accounting. They have been reviewed and approved by the interim chancellor and provost before implementing.
  - In addition, we have surveyed a number of our peer institutions to ensure that the policies and procedures we implement are consistent with best practices in other research-intensive universities.
  - We have also consulted with various national organizations, including the Council on Governmental Relations (COGR).
  
- **Is this just affecting us?**
  - No. The Office of Management and Budget (OMB) requires that policies associated with effort reporting and certification be consistent across the institution. We are coordinating with all the schools and with colleagues in the Medical Center, as appropriate, to ensure Vanderbilt has consistent institutional policies.
  - It does allow for differences in implementation and procedures between schools, and even between disciplines. We are working to implement in the manner that best supports the issues unique to our schools and our disciplines.
  
- **How do other universities deal with summer vacations?**
  - Some examples:
    - Northwestern: Faculty can only charge 100% of summer months to Federal sources on an exception basis, with administrative approval.
    - Penn: Faculty charging 3 months to Federal sources must certify they did not take vacation during that time.

- Princeton: Faculty can charge a maximum of 2.5 months in the summer to Federal sources.
- Washington University: Faculty cannot charge 100% to Federal sources if they take vacation.

- **If I work 80 hours a week during the academic year, and want to take a couple weeks off during the summer, doesn't it even out?**
  - No. The federal government doesn't define effort in terms of a standard hour work week; in fact, it doesn't take hours into account at all. Total work hours is defined as the average total time devoted to Vanderbilt-compensated effort, including *but not limited to* research, teaching, and administrative activities. It may include time spent for VU responsibilities occurring at other locations, or from home. What's key is that the total of individual effort percentages reported must equal 100%.
- **What is Vanderbilt doing to make this less burdensome and easier to deal with?**
  - There are a number of things in process that ultimately should make this less cumbersome. The newly developed Electronic Personnel Action Change (ePAC) application will reduce paperwork and streamline some of this. There are also long-term, systemic changes Vanderbilt's looking at to help as well.

#### ADDITIONAL RESOURCES

- Vanderbilt's Effort Reporting Policy can be found at [www.vanderbilt.edu/ocga/vupolicies/effortreporting/efforttableofcontent.htm](http://www.vanderbilt.edu/ocga/vupolicies/effortreporting/efforttableofcontent.htm).
- The Provost's Office has issued additional guidelines, including *Effort Essentials for the Provost's Domain* and *Implementation Guidelines: Individuals with Salary Supported at Least Partially from Federal Sources*. Copies are available from the offices of Dennis Hall, Tim McNamara, or John McDaniel.
- **When in doubt, your best course of action is to query Jerry Fife or his staff, Dennis Hall, Tim McNamara, or the General Counsel's office for clarification.**

Prepared by the Offices of the Associate Provosts for Research & Graduate Education, and Faculty.

Reviewed by the Provost's Office for Finance and Administration, the Office of the General Counsel, and the Office of Contract and Grant Accounting.

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