

**Lifespan Office of Research  
Administration  
Grants & Contracts**

**Subject:**  
Time and Effort Reporting  
Policy

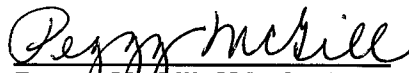
**File Under:**  
ORA G&C 002

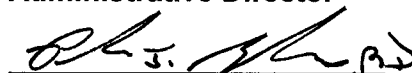
**Issuing Department:**  
Lifespan Office of Research  
Administration (ORA)

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**Approved by:**

  
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Administrative Director

  
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Vice President for Research

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## **Purpose:**

This document establishes a policy and procedures for activities necessary to comply with federal regulations of the Department of Health and Human Services (DHHS) set forth in OMB Uniform Guidance and 45 CFR, Part 75, Appendix E, entitled "Principles for Determining Cost Applicable to Research and Development Under Grants and Contracts with Hospitals" and other sponsors' requirements to ensure the proper charging of labor costs to federal and non-federal sponsored research projects at the affiliates of Lifespan.

## **I. Introduction**

Title 45 CFR, Part 75, Appendix E, requires that salary and wage amounts charged to federal supported projects be based on an adequate payroll distribution system that documents such distribution in accordance with generally accepted hospital practices. This policy is intended to establish procedures whereby the certifications are submitted for all individuals performing sponsored research activities within the timeline required by the applicable regulations.

## **II. Definitions.**

For the purposes of this Policy on Time and Effort Reporting, the following definitions shall apply:

A. *After-the-Fact Activity Certification.* After-the-Fact Activity Certifications utilizes a retrospective review of the individual's actual work performed derived from the various benefiting activities that make up their total effort.

B. *Effort.* The amount of time, expressed as a percentage of the total effort that an individual spends on a project or institutional activity, including cost sharing arrangements and departmentally funded projects. Effort is certified and documented on the Time and Effort Reporting System (T&E Reporting System).

C. *Grant.* In general terms, awards given to Lifespan for a specific purpose to support instruction, research, or public service are considered grants.

D. *Notice of Award (NOA)*. A document from the DHHS used to notify a grantee that a specific award has been granted to the institution. The NOA also provides information on the terms, conditions, and restrictions specific to that award, that provides information regarding the grant specific important terms and conditions. It should be used by Principal Investigators, Department Research Administrators, and ORA Research Administrators to manage that specific DHHS award. Other sponsors use different instruments, but all external awards are formally made to Lifespan in writing.

E. *Principal Investigator (PI)*. The individual primarily responsible for a research grant, cooperative agreement, training project, contract or other sponsored agreement. The Principal Investigator is primarily accountable for the design, direction, oversight, conduct, reporting, and completion of the sponsored project, and for managing any collaborative relationships.

F. *Time and Effort Report (T&E Report)*. The T&E Report is a document used to meet federal regulations regarding effort reporting. T&E Reports reflect the total effort expended by an individual regardless of the number of hours actually worked.

### III. Policy Statement

Compensation for salary, wages, and benefits may be charged to federally funded accounts provided that they are reasonable, conform to the established policy of the organization consistently applied regardless of the source of funds, and reflect no more than the percentage of time actually devoted to the project.- For non-profit organizations, individuals are required to submit monthly After-the-Fact Activity reports of the distribution of their time and effort, certifying that the distribution of activity represents a reasonable estimate of the actual work performed by the individual during the period covered by the report. The certification must include an estimate of the allocation of effort between organized research and all other hospital activities in terms of the percentage of total effort devoted to the following categories:

- Patient Care
- Organized Research
- Instruction and Training
- Administration

*In all cases, the total of the individual effort percentages reported on the effort report form must total 100% for the combined four categories.* Effort Reports must account for **all** effort. Even where the number of hours of effort the individual differs each week substantially exceeds the “normal” work week of 40 hours, it is necessary to base effort percentages on total effort, not just “normal” effort.

Investigators are to give consideration to the amount of time available for research when aligned with other clinical and service obligations, such as clinic work, attending duties, academic administrative duties, clinical practice, etc. Investigators are to establish those thresholds with the Department Chairperson and/or Chief. ORA will have access to that information to facilitate their role in managing the time and effort process.

#### **IV. Procedures**

A. At both the time a grant application is submitted and the NOA is received, the Department Research Administrator, ORA Research Administrator, and Principal Investigator shall review the effort declared on the grant application for all personnel on the project to ensure that there are no conflicts of time committed. The NIH Grants Policy Statement states that “zero percent” effort or “as needed” is not an acceptable level of involvement for Key Personnel. If there are conflicts, they shall be resolved before that person’s salary and fringe benefits are charged to the grant account. If there are no conflicts, the ORA Research Administrator shall proceed in setting up the account and salary charging instructions as applicable.

B. For all staff paid through affiliated physician practice plans, the clinical departments shall send salary information and payment for the previous month to their Department Research Administrator, if applicable, or ORA Research Administrator, who in turn, shall review the invoice for alignment to the time and effort plan and if approved, pay the physician practice plan for the services of Personnel. Should a discrepancy appear, the Department Research Administrator, if applicable, or ORA Research Administrator will contact the Principal Investigator for resolution. The invoice may be held in suspense until such resolution is achieved.

C. The Department Research Administrator or ORA Research Administrator will verify that the effort listed for the personnel on each grant is consistent with information provided in the grant budget as well as the salary paid to those individuals during the reporting period. Department Research Administrators or ORA Research Administrators shall make necessary adjustments for the NIH salary cap, cost sharing, or other corrective measures and will incorporate these changes into the T&E Reports.

D. The individual who performed the services or a responsible individual having first-hand knowledge of all of the activities performed will certify that the T&E Report accurately represents the time and effort expended. In the case an individual wishes to change the estimate shown on the report, the individuals must write the correct percentages on the T&E Report and certify.

E. After a T&E Report is certified and submitted to ORA, any proposed revisions to a T&E Report must first be approved by ORA to ensure that the proposed changes are consistent with OMB Uniform Guidance. A re-certified T&E Report is required by, (1) a copy of the T&E Report will be re-submitted with the changes and signed by the appropriate approver; or (2) a correction to the departmental T&E Report is submitted with the appropriate approver’s email; or (3) a re-printed T&E Report is issued and signed by the appropriate approver.

If the revision results in changes to the salary charged to the grant, ORA will request a correcting journal entry be issued through Research Finance and, the Principal Investigator or designee will be asked to prepare the necessary documentation to support the Cost Transfer or an email that fully explains the reason and justification for the cost transfer (refer to the Cost Transfer Policy for details).

#### **V. Sanctions**

Breach of this Policy shall include but is not limited to the individuals’ failure to submit timely reports, or submission of a falsified T&E Report as required by this Policy. Individuals who engage in such breach shall be disciplined in accordance with Lifespan’s Employee Disciplinary Policy and/or Medical Staff By-Laws.

**Rhode Island Hospital,  
The Miriam Hospital,  
Emma Pendleton Bradley Hospital,  
Hasbro Children's Hospital,  
Newport Hospital, and  
Gateway Healthcare-Lifespan Partners**

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**Time and Effort Reporting Policy Q&A for All Personnel  
Appendix 1 to Time and Effort Reporting Policy, ORA G&C 002, dated 4/29/2016**

**How often do I have to complete the T&E Report?**

Federal law requires that personnel certify that the amount charged to the grant for their salary is accurate and current "no later than one month after the month in which the services were performed." 45 CFR, Part 75, Appendix E. This means that personnel must certify each month that the salary charged during the previous month accurately reflected the time and effort spent on the grant.

**What do the T&E Reports include?**

The T&E Report include an estimate of the allocation of effort between organized research and all other Lifespan activities in terms of the percentage of total effort devoted to each of the following categories:

- **Patient Care:** Rendering routine or ancillary services to inpatients or outpatients. Includes effort for professional services rendered to patients and for which a professional bill would ordinarily be rendered.
- **Organized Research:** All research activities that may be identified, whether support for such research is from a federal, non-federal or internal source.
- **Instruction and Training:** Includes supervision and instruction of individuals enrolled in ACGME accredited intern, residency and fellowship programs, including preparation of lectures.
- **Administrative:** Includes the administration of Lifespan ancillary areas, including such activities as budget management and supervision of technical and clerical personnel, Lifespan related committees, Lifespan in-service education programs, and activity of general benefit to patients (e.g., quality control). It should also include research administration activity, departmental business activities, proposal preparation effort, and instructional administration activities.

### **What activities should I include in the estimation of my effort expended on “Organized Research?”**

- Research conducted, analyzed and reported pursuant to a federal grant or contract (e.g., NIH, NSF, or DOD)
- Non-federal research project (e.g., a foundation grant or industry sponsored research clinical trial)
- Writing an article to be published about the results of your research
- Writing a progress report or funding application (renewal, revision, supplement, etc.) for an existing grant.
- Holding a lab meeting with your staff
- Attending a scientific conference held by an outside professional society
- Reading scientific journals to keep up-to-date with the latest advances in your field.

### **What activities must I exclude in the estimation of my effort expended on “Organized Research?”**

Any kind of administration, teaching and instruction, patient care, and other non-sponsored activities cannot be included in the estimation of your Time & Effort for organized research. These activities include:

- Writing a new grant application
- Mentoring a junior faculty member in your department
- Attending departmental faculty meetings
- Serving on the Institutional Review Board (IRB) or Institutional Animal Care Use Committee (IACUC) or any other research committee.
- Serving on an NIH Study Section or NSF Peer Review Panel or any other peer review granting panel.

### **How do I account for time away (vacations, leaves of absence, sabbatical)?**

Amounts charged to a federal project are permissible based upon payroll systems which have been approved and documented in accordance with generally accepted hospital practices. Therefore, you do not have to specifically account for vacation time in your T&E Report.

However, if the Principal Investigator and other Key Personnel named in the NOA expect to be absent from the project for any continuous period of three months or more, or reduction of time devoted to the project by 25 percent or more from the level that was approved at the time of the initial competing year award, prior approval is required by NIH. Please be sure to contact your Department Research Administrator or ORA Research Administrator so that he or she can make the appropriate arrangements.

### **Reporting Cost Sharing**

All cost sharing arrangements **must** be approved, in advance, at the time of application, by the Administrative Director of ORA or his/her designee and the Department Chairperson/Chief, and are normally reported in the base effort.

### **For physicians: Doesn't my Medicare Cost Report (TEFRA) cover this?**

Unfortunately, no it does not. Your TEFRA is a two-week snapshot over the course of a 3-month reporting period. Moreover, the TEFRA report measures your clinical time in terms of hours spent during the course of those two weeks. The research T&E Report is an estimate of all the work that you do at Lifespan (including research, patient care, instruction and teaching, and administration) on a monthly basis.

In general, the two reports should complement each other. By the nature of the two different accounting mechanisms required (i.e., hours vs. %), it is unlikely that the numbers will exactly match. That is okay. Remember, your T&E Report is a good faith estimate of the work you performed during the previous month.

### **What time is included in 100% effort?**

100% effort is total time spent conducting business regardless of the normal work schedules. This includes work performed outside the normal Lifespan hours, work performed while on vacation, off-hours, and on or off site.

### **Why can't we use the 40-hour week as a base for our Federal reporting and then consider any services (e.g., teaching, administration) that we provide during our "own time" as "volunteer" time we give to Lifespan or Brown University?**

As salaried employees, personnel are generally compensated not for a standard workweek, but for duties they are expected to perform under the terms of their employment. Therefore, the sponsors are paying for a percentage of the investigator's total work effort, whatever that may be.

### **What should I do if I believe my Time & Effort Report is in error?**

The Time & Effort Report preprints the percentage of an individual's salary expense distributed to each sponsored project for each reporting period. Preprinting the distribution is intended as a guide for completing the report.

You are responsible for reviewing and making any changes to the report. One purpose of the report is to determine whether the preprinted salary percentages are correct and capture any necessary changes. In other words, changing the preprinted percentages when they do not reflect actual effort expended is not only permitted, but required. Any new project which may not be reflected in the report, but in which you have participated should be added to your T&E Report as well. Changes to percentages should be made simply by crossing out the preprinted percentage and writing in the correct percentage. Since the preprinted percentages reflect actual salary charges to sponsored projects, it will be necessary to do a retro salary split to correct the distribution of salary to the effected project. Your Department Research Administrator or ORA Research Administrator will make any necessary adjustments.