Mount Holyoke College
Grant Budgets &
Time/Effort Reporting

January 17, 2013
What is Effort?

- Effort is a percentage of the total of all work-related activities for which the College compensates an individual. For faculty this includes: instruction, research, administration, etc. The federal government mandates we track and certify effort charged to federal grants.

- Effort always adds up to 100% of total compensation no matter the total number of hours worked.
Why Do We Care?

- The federal government through its OMB A–21 “Cost Principles for Educational Institutions” mandates that salaries charged to grants reflect effort and that it must be certified by someone with direct knowledge, usually the PI.

- This certification confirms that personnel charges to federal grants are not more than they should be.

- Failure to provide this confirmation can result in audit findings, disallowances, and fines.
The Principal Investigator on a federal grant is responsible for initiating payroll charges, monitoring activity, and certifying effort charged to their grants.

The Financial Services Office is responsible for preparing, distributing, collecting and filing Time and Effort Reports.

The Sponsored Research Office is responsible for assisting in preparation of budgets, submission of proposals, and notification of effort changes to agencies as needed.
Proposed Effort

- Most agencies require effort to be budgeted in person–months.

- Faculty person–months will be either Academic Year (AY) or Summer months. Other personnel will generally be Calendar Year (CY).

- For PIs, the proposed effort is your promise to deliver at least that amount of your compensated time to the proposed research.
Mandated vs. Voluntary Cost-sharing

- Mandated cost-sharing is any unpaid PI time that is promised in a proposal. Unless specifically required by the agency, this should never be included in a budget, budget justification, or narrative.

- Voluntary cost-sharing is any unpaid time spent on research that is not promised in the proposal. Most PIs contribute a great deal of voluntary cost-shared time during the course of their research. Agencies expect this.
Any promise to give a quantified amount of time with no compensation is automatically considered mandated cost sharing.

NSF now prohibits all cost-sharing (unless specifically requested in the solicitation), and most federal agencies do not encourage it.

The College is required to track all mandated cost-sharing administratively which creates additional burdens and risks for the College.
Voluntary Uncommitted Cost–shared Effort

- Any unpaid time you spend on your research that is not promised in the proposal is considered voluntary uncommitted cost sharing.

- There is no federal requirement to track this voluntary time and no benefit in doing so.

- Voluntary effort should not be considered when certifying effort.
Faculty Effort Calculations

- Annual Base/9 months = 1 month salary
  Example: $70,000/9 = $7,777.78

- Amount paid from grant/1 month salary = person months
  Example: $7,500/$7,777.78 = 0.96
A person–months calculator is available on the Sponsored Research/forms webpage, and one is included within the budget template.

https://www.mtholyoke.edu/sponsoredresearch/forms

Financial Services Budget Template
Person–months calculator
Fringe Rates differ depending on type of appointment.

Please use the Financial Services budget template: https://www.mtholyoke.edu/sponsoredresearch/forms

And check MHC rates here: https://www.mtholyoke.edu/sponsoredresearch/rates

NOTE: All grant budgets must be pre-approved by the Grants Accountant via upload to ella dropbox
Faculty Salaries

- Faculty may only charge a maximum of three summer months to ALL grants. (It is wise to reduce this to 2.9 months max, if you will take any vacation or work on anything else during the summer.)

- NSF generally allows only 2 months of salary to be charged to ALL NSF grants.

- All AY time (course release, etc.) must be pre-approved by the dean or associate dean before proposal submission. You should receive department chair approval as well.
State salary requests in terms of number of months and the base it is calculated on, for example: “PI requests 1 summer month. Salary is calculated on a 9 month AY base. “

Use this methodology, even when you are budgeting a percentage of calendar year months for a postdoc or other support personnel, for example: “Postdoctoral Researcher is budgeted at 6 calendar months. Salary is calculated at 50% of 12 month base.”
Example of NSF Budget Form

### SUMMARY PROPOSAL BUDGET

<table>
<thead>
<tr>
<th>Organization</th>
<th>Mount Holyoke College</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal Investigator/Project Director</td>
<td>Example Professor</td>
</tr>
</tbody>
</table>

#### A. SENIOR PERSONNEL: PI/PD, Co-PIs, Faculty and Other Senior Associates

- List each separately with name and title. (A.7. Show number in brackets)

<table>
<thead>
<tr>
<th></th>
<th>NSF-Funded Person-months</th>
<th>Funds Requested by Proposer</th>
<th>Funds Granted by NSF (If Different)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAL</td>
<td>ACAD</td>
<td>SUMR</td>
<td>$11,666</td>
</tr>
<tr>
<td>1. Example Professor, Co-PI</td>
<td>.5</td>
<td>1.5</td>
<td></td>
</tr>
<tr>
<td>2. Example2 Professor, Co-PI</td>
<td>.5</td>
<td>1.5</td>
<td></td>
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<tr>
<td>3.</td>
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</tr>
<tr>
<td>4.</td>
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</tr>
<tr>
<td>5.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. ( ) OTHERS (LIST INDIVIDUALLY ON BUDGET EXPLANATION PAGE)</td>
<td>.5</td>
<td>3</td>
<td>27,221</td>
</tr>
<tr>
<td>7. ( ) TOTAL SENIOR PERSONNEL (1-6)</td>
<td>.5</td>
<td>3</td>
<td>27,221</td>
</tr>
</tbody>
</table>

#### B. OTHER PERSONNEL (SHOW NUMBERS IN BRACKETS)

1. ( ) POSTDOCTORAL ASSOCIATES: 6 | 25,000 |
2. ( ) OTHER PROFESSIONALS (TECHNICIAN, PROGRAMMER, ETC.):
3. ( ) GRADUATE STUDENTS:
4. ( ) UNDERGRADUATE STUDENTS:
5. ( ) SECRETARIAL - CLERICAL (IF CHARGED DIRECTLY):
6. ( ) OTHER:

**TOTAL SALARIES AND WAGES (A + B):** 10,767
**TOTAL BENEFITS (IF CHARGED AS DIRECT COSTS):** 62,988
Example of NIH Budget Form (modular)

PHS 398 Modular Budget, Periods 1 and 2

**Budget Period: 1**
Start Date: 07/01/2012  
End Date: 06/30/2013

**A. Direct Costs**

<table>
<thead>
<tr>
<th>*Funds Requested ($)</th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Direct Cost less Consortium F&amp;A</td>
<td>75,000.00</td>
<td></td>
</tr>
<tr>
<td>Consortium F&amp;A</td>
<td>4,386.00</td>
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</tr>
<tr>
<td>Total Direct Costs</td>
<td>79,386.00</td>
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</table>

**B. Indirect Costs**

<table>
<thead>
<tr>
<th>Indirect Cost Type</th>
<th>Indirect Cost Rate (%)</th>
<th>Indirect Cost Base ($)</th>
<th>*Funds Requested ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Salaries and Wages</td>
<td>64.1</td>
<td>43,509.00</td>
<td>27,884.00</td>
</tr>
<tr>
<td>2.</td>
<td></td>
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Cognizant Agency (Agency Name, POC Name and Phone Number)

**C. Total Direct and Indirect Costs (A + B)**

| Funds Requested ($) | 107,152.00 |

Indirect Cost Rate Agreement Date: 09/27/2011

Total Indirect Costs: 27,884.00
Current and Pending Effort

- Each PI should track their own budgeted effort on all current awards and pending proposals for future proposal C&Ps. If the effort varies from year to year, that should be noted.

- Current and Pending should note commitments in terms of summer and AY months.
When a Grant is Awarded

- Each PI or co-PI should know their own level of budgeted, committed effort per grant year, and have a plan to use it as budgeted.

- The PI is also responsible for ensuring payroll charges for postdocs, students, and other personnel is accurate and defendable. If salaries are allocated among grants a rationale for the percentage charged should be written for the file.
You Need Agency Pre-approval

- When a PI or Other Senior Personnel reduces their effort by 25% or more in a grant year. Example: 2 budgeted summer months reduced to 1 actual summer month is a 50% reduction in effort.

- When a PI or Co-PI is absent in excess of 90 days from his/her project.

- Also note: It is inappropriate for an employee to be paid from a sponsored project to prepare and submit proposals.
MHC Effort Policy

New policy online –
https://www.mtholyoke.edu/sponsoredresearch/policies

Changes:
Certification 3X’s a year: fall, spring, summer
PIs will sign other employee’s certifications
New form
Importance of Completing Forms

- Forms must be completed in a timely fashion to avoid audit repercussions.

- Certifying effort timely will help ensure that all federal grant salaries are being charged properly and any errors corrected quickly.
If PIs receive any outside requests for information about their effort, they should be in touch with Financial Services and Sponsored Research offices before responding.

We recommend PIs not quantify time and effort in narrative reports to agencies.
On NSF reports – all paid participants should be listed accurately. Effort should not be quantified beyond the 160 hours box being checked or not, as appropriate. 160 hours is approximately = to one FTE month.
Questions?