

MEMORANDUM

To: Investigators on Sponsored Projects
Research Administrators

From: Randolph W. Hall



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Office of the Provost

Randolph W. Hall, Ph.D.
Vice Provost for
Research Advancement

Under federal law, USC is obligated to ensure that the percentage effort charged to grants and contracts represents (and never exceeds) the actual time that individuals devote to projects.

The University has developed the attached guide to explain how to properly budget and certify effort, taking into consideration the nature of an individual's university appointment (e.g., 9 month versus 12 months), the overall faculty profile (e.g., whether the profile includes clinical activities or administrative activities), and whether an individual's compensation exceeds the National Institutes of Health salary cap. In particular, please pay note to these provisions:

- Effort is not calculated based on a 40 hour work week, or any other number of hours a week. Instead, for a full-time employee, it is based on 100% of effort for USC.
- Principal Investigators and other project personnel (including co-PIs, investigators, key personnel, and other project staff) are expected to charge salaries to the sponsored project according to the effort actually expended, and never above actual effort.
- As a result of practice plan integration, clinical activities are included within institutional effort and institutional base salary (excluding direct pay from LA County). However, clinical incentives and bonuses, while part of institutional effort, are not included in IBS.
- If salaries are above the NIH salary cap, the overage must be charged to an unrestricted institutional account.
- Principle Investigators may not offer a cost-share commitment on their own, even if they think it is desirable to free up funds for other project costs. Dean's prior approval is required.
- As with all research activity, faculty members should charge effort for industry sponsored clinical trials, or charge an appropriate cost share account in accordance with the effort worked.

For further information on effort reporting, please contact the Office of Financial Analysis: <http://fbs.usc.edu/depts/ofa/page/4118/policies/>, or ecert@usc.edu, or 213-821-1937.