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University Compliance Office
 AB 1120G
 701 South 20th St.
 Birmingham, AL 35294
 Phone: 205-996-6540
www.uab.edu/compliance
www.uab.edu/policies

Compliance 411 is a quarterly newsletter published by the University Compliance Office at The University of Alabama at Birmingham. We welcome feedback and suggestions from the UAB community. Please email compliance@uab.edu to join our distribution list.

Objectives of Compliance 411:

- ★ To raise awareness
- ★ To communicate important developments
- ★ To foster transparency

411 Compliance

Effort Reporting Basics

Responsible grant management. Roles and responsibilities. Detailed record-keeping. When accepting federal funding, deficiencies or ineffectiveness may lead to government scrutiny. Effort reporting is one of several processes used to ensure and document proper stewardship of grant funds.

Effort reporting is managed at the academic department level. All UAB academic departments have an appointed Departmental Effort Officer (DEO) who is responsible for research grant/award management.

Effort reporting is the process by which investigators and members of their research teams certify the actual amount of time (effort) they spend on those projects. Based on the certification in accordance with regulatory requirements and grant terms and conditions, salary cost will be proportionally allocated. Under Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, otherwise known as **Uniform Guidance**, UAB and other higher education institutions receive-

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Compliance Challenge: What Would You Do?

You make the call. Select the correct answer by clicking on it below. All participants will be able to enter their email address for a drawing for one of two \$10.00 Lucy’s Coffee gift certificates. Only addresses ending in uab.edu/uabmc.edu qualify. The drawing will take place on Monday, February 1, 2016.

Nora is a faculty member with two federal research projects and five industry clinical trials. In addition to her research, she teaches a module in the first-year medical school curriculum, organizes her department’s journal club activities, serves as a representative to the Faculty Senate, and sits on a campus safety task force. She sees patients in an HSF clinic two full days per week and is on call once per month. Over the past quarter, she has also travelled to the corporate headquarters of a small medical device start-up company to consult on clinical applications of a new product and to another academic medical center to assess their continuing medical education program.

When Nora reviews her effort report this quarter, which of the following activities should be excluded from her total UAB effort (that is, her 100%)?

- A. Clinical trial administrative activity**
- B. Campus safety task force**
- C. Teaching a medical school course**
- D. HSF clinical work**
- E. CME program assessment**

UAB Effort Reporting Policy in Review: The **UAB Effort Reporting Policy** is currently being revised. Following standard processes for university-wide policy review, UAB community members will soon have opportunity for input. Responsibility for implementation of the policy is with the offices of Research & Economic Development and Financial Affairs & Administration. For information, stay tuned to the **UAB Policies & Procedures Library**.



Effort Reporting Basics *Continued from page 1:*

ing federal funds must maintain systems of internal control that demonstrate and document appropriate charges.

UAB's **Effort Reporting Policy** sets forth the University's approach to effort reporting activities used to comply with this federal regulation. Non-compliance in effort reporting may result in financial penalties, loss of funding, and even criminal prosecution for false claims.

An area of inherent risk for any research-intensive institution is effort reporting accuracy. The President's Risk Cabinet wants to ensure appropriate focus on this area of risk.

All UAB exempt faculty and staff involved in a sponsored grant or contract are required to report their total UAB effort quarterly. Effort on sponsored projects is then indicated as a percentage of the employee's total UAB effort for that period. Hourly-paid employees' time-sheets serve as their effort reports. Some irregular employees may have their effort certified by a UAB project employee with first-hand knowledge of their work.

Basic Effort Reporting Principles: Simple as 1, 2, 3

Solid effort reporting begins with

the following three interrelated foundational principles.

Watch It!

These principles are based on information in this short YouTube video on *Three Mantras of Effort Reporting* by the National Council of University Research Administrators (NCURA). Please visit: <https://www.youtube.com/watch?v=dpkXqQ38m84>.

#1: 100% is 100%. All university activities for which an individual is paid a UAB salary is considered to be UAB effort. There is no set number of hours that constitutes total UAB effort. Think in terms of a pie, with some slices (activities) being bigger and others smaller. All hours spent on UAB activities -- whether one's work week is 30, 40, 60, 120 hours/week or otherwise -- must be included in the UAB pie and allocat-

ed on an effort report.

#2: There are no nights and weekends. UAB activities are never performed on one's "own time." No matter where or when UAB work takes place, it must be included in total UAB effort and then allocated appropriately.

Finally, **#3: All activities must show up.** All UAB activities, regardless of whether they are federally- or non-federally-funded or supported by departmental funds, require effort reporting. This includes research, teaching, administration, professional public service, and patient care activities within the University. Exceptions are limited. Clinical service for which an individual is compensated separately by another legal entity, e.g., Health Services Foundation and Veterans Administration. HSF and VA activities are considered to be their own pies and are not part of UAB's pie.

Effort Reporting Training

Effort reporting training is available to the UAB community through the Faculty and Staff Learning System (www.uab.edu/learningsystem). Classes are tailored to various groups who need training, including:

- * All UAB project employees,
- * Anyone who certifies or approves Effort Reports,
- * Departmental Effort Officers (DEOs), and
- * Anyone else responsible for tracking Effort Reports or verifying quarterly Effort Report accuracy.

For more information, visit the University Compliance Office [webpage on Effort Reporting Training](#)

Focus on Policy: Gifts and Alabama Ethics Law

Throughout the year, UAB employees should be mindful that the **State of Alabama's ethics laws** restrict items they may receive from vendors. As public employees with expectations of appropriate stewardship, **UAB employees may not use their position to reap private gains or receive special benefits as a result of making purchasing decisions.** This includes personal use of promotional rebates on supplies purchased for UAB. The intent of these laws is to prevent conflicts of interest between employees' private interests and duties of their public position. However, items of minimal value — such as greeting cards, plaques or other similar items intended solely for presentation, promotional items commonly distributed to the public, and items that have no resale value or value to others — are permissible under state law.

Audits of Small Samples Can Result in Huge Financial Penalties

A recent **Office of the Inspector General (OIG) audit of the University of Colorado -- Denver (UCD)** found \$7,619 in unallowable salary costs and \$1,615 in unallowable non-salary costs in a sample population of UCD's Department of Health and Human Services awards. The OIG then extrapolated these unallowable costs across UCD's entire portfolio of Department of Health and Human Services awards for fiscal year 2010. As a result, the OIG determined that repayment of \$1.4 million in total unallowable costs was due. The report specifically cited several erroneous effort reports. As shown by OIG's approach, when there is non-compliance in effort reporting, audits of relatively small samples can

result in extraordinary financial penalties for an institution.

Other Recent Government Actions

— **DOJ settled with a Massachusetts university for more than \$530,000** in unsupported salary charges to NSF awards for failing to notify the sponsor for over two years after the university discovered the problems.

— **A Mississippi university employee is awaiting sentence** on criminal charges for falsifying time and effort reports and directing others to do so during an audit.

— **An Indiana faculty member was debarred** for three months for falsely certifying 100% effort on his NSF awards for summer months during which he was at a foreign institution.

What's in a Name? An Interview with University Compliance Officer Teresa Bragg

Awareness. Empowerment. Accountability. Collaboration. Trust. Transparency. From the viewpoint of Teresa Bragg, these all add up to compliance. Wait, what? "Sometimes, employees think of compliance as just checking a box. 'Yep, got that done. Check.' Adhering to legal, regulatory, and policy requirements is critically important. But an effective institutional compliance program is so much more than checking the boxes. It's a demonstration of the institution's commitment to doing the right thing."



University Compliance Officer
Teresa Bragg, CPA, CHC, CRMA

Compliance programs really aren't new. In healthcare organizations where federal payers and accrediting bodies have had expectations for many years, corporate compliance programs, such as UAB Medicine Compliance, are more mature. Increasingly in today's world, however, colleges and universities are establishing compliance programs to address risks associated with education, research, service, and other business activities — or are expanding specific existing programs.

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What's in a Name? An Interview with University Compliance Officer Teresa Bragg *Continued from page 3*

Bragg says, “In 2010, when I joined the UAB team, the University built on its research compliance program to launch the University Compliance Program with two important objectives: develop a shared understanding of the compliance risks associated with University, research, education, service, and business ac-

“... an effective institutional compliance program is so much more than checking the boxes. It's a demonstration of the institution's commitment to doing the right thing.”

tivities and promote engagement among employees at all levels in addressing those risks. Our University Compliance Office team members keep those two objectives in mind with every initiative we undertake, whether it's a compliance review, a new policy or procedure discussion, or simply providing advice on a specific question or issue.” Bragg recognizes that sometimes the word “compliance” can give an inaccurate perception of what her team is about, so she tries to share the University Compliance Office working philosophy with every new encounter.

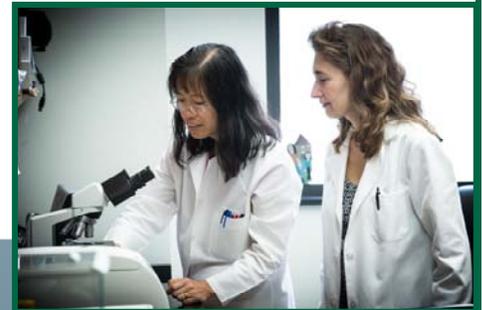
Specifically, the University Compliance Office works to:

- ★ Raise awareness, inform, educate, and clarify expectations;
- ★ Empower individuals with the tools and information needed to make the right decisions;
- ★ Expect individuals to be accountable for their decisions;
- ★ Implement user-friendly processes, making effective use of technology;
- ★ Approach questions with curiosity rather than judgment; and
- ★ Promote a culture of trust and transparency.

“It's important to me as a leader for our UAB colleagues to know

what our role here is and how our team approaches its role. At the end of the day, while we may fulfill different functions within the organization, we're all on the same team, working toward the same goal – a University of excellence and integrity.”

For more on the University Compliance Program, please visit www.uab.edu/compliance.



Code of Conduct Corner

Standard of Conduct:

Safeguard and Accurately Account for UAB Resources

UAB is dedicated to responsible stewardship. The **UAB Enterprise Code of Conduct** states that UAB resources must be used for UAB business purposes and not for personal gain. All UAB accounts, financial reports, tax returns, expense reimbursements, time sheets, and other documents including those submitted to government agencies must be accurate, clear, and complete. All entries in UAB records must accurately reflect each transaction. UAB community members are expected to:

- ★ Use UAB property, equipment, finances, materials, electronic and other systems, and other resources only for UAB purposes;
- ★ Prevent waste and abuse;
- ★ Promote efficient operations;
- ★ Follow appropriate protocols for obligating UAB entities by contract/agreement;
- ★ Follow sound financial practices, including accurate inventory accounting, financial reporting, responsible fiscal management, and internal controls; and
- ★ Engage in appropriate accounting and monitoring.