

**Tips to verify your annual ADRs before you sent them signed**

**to the Department of Budget & Financial Planning (Rosanna Li, Financial Analyst).**

**1- FOR NIH ACCOUNTS**

**Verify that the annual effort average % indicated in the “Adj % age” column** [value is different from the Salary % (“%age” column) when there is cost sharing involved] **is not below the minimum effort that must be reported based on the formula “salary wage / NIH cap”.**

*Example:*

Salary wages charged on FY 2017 on the NIH account = $15,000

NIH salary cap average on FY 2017 = $186,050 = Average between $185,100 (salary cap applied until 01-01-17) and $187,000 (salary cap applied since 01-08-17)

$15,000

$186,050

=

=

Salary wages charged on FY 17

NIH salary cap average on FY 2017

8.06%

🡪 The minimum effort that the PI can report for these $15,000 charged to the NIH is 8.06%.

🡪 The PI can report more effort such as 10% because then it means that there is some cost sharing involved in the payment of his effort and that is fine.

🡪 **But the PI cannot report less effort** than 8.06%, because that would mean that the Federal account has been over charged. Red Flag!

*For info NIH salary Cap average for FY 2016 = $184,200*

**2- FOR FEDERAL AND STATE AWARDS**

**Verify that for key personnel, the effort indicated on the ADR (column “Adj%age”) corresponds to the effort in the grant application and in the NOA.**

* Sometimes these efforts values can be different, but no approval from the sponsor was required for such a variation of effort. Typically, at the NIH, less than 25% variation does not need the NIH pre-approval, so no red flag!
* Sometimes the difference between the effort indicated in the grant application and NOA versus what is on the ADR is more than the variation that the sponsor authorizes without prior approval.
	+ Make sure that you have a record of the approval for the reduction in effort from the Sponsor and that OSRA has it as well (because then Finance can access it).
	+ If there is no proof of prior approval for the reduction of effort or the department didn’t forward it to OSRA, Finance will be requesting it from the department once the ADR is reviewed.

**3- FOR FEDERAL, STATE and PRIVATE AWARDS**

Verify that when there is cost sharing for the payment of the effort % of an employee, **the cost sharing $ come from a fund (1, 6 or 9 funds) and not from a federal or state awards accounts.**