OFFICIAL
Policy and Procedure Statement 5.08 Effort Reporting on
Review Cycle: March 1 E4Y Sponsored Programs
Review Date: 03/2017 (16 paragraphs)
Reviewer: Director, Sponsored Programs

PURPOSE

1. To provide an acceptable method to document the distribution of charges for personal services on sponsored research projects in compliance with OMB Circular A-21 and other regulations. Certification of effort is one of the financial management responsibilities that a Principal Investigator (PI) or Project Director (PD) accepts when he or she accepts a sponsored research project. By certifying effort, the PI, PD or a designated knowledgeable individual verifies that the amount of compensation received by those working on the project is reasonable in relation to the effort expended on behalf of the project.

DEFINITIONS

2. Effort can be represented by time worked on a project.

3. Effort can be represented by funds paid for service.

4. Reasonable shall mean within plus or minus 5% of actual effort.

POLICY

5. Certification of effort on federally sponsored awards is required under the terms of Office of Management and Budget Circular A-21, section J.10.

6. Certification of effort on some state-sponsored awards is required under the terms of Uniform Grant Management Standards and by other sponsors.

7. The University’s system of certifying employee effort is required to provide an accurate and complete record of employee effort on sponsored projects.

8. Failure to certify effort reports in a timely manner may jeopardize external funding received by the entire university community.

PROCEDURE

9. An effort report for each employee who has received compensation for services provided on sponsored programs will be generated via the SAP enterprise system. Reports will generally cover a 6-month period (September through February and March through August). The report will generally be
prepared on a semiannual basis for most employees and will contain the following:

a) Sponsored Program account number
b) Name of employee
c) Period of effort
d) Percent of effort
e) A certification statement

The SAP system will send these reports through SAP Workflow to the PI, PD, or designated knowledgeable individual. Upon receipt of the effort report, the PI, PD or a designated knowledgeable individual should verify that the amount of effort by those working on the project is reasonable. The basis for this verification can be comprised of any suitable means. The certification should be completed in a reasonable time.

Percentages reflected on the Effort Report represent the cumulative percentages of the individual's salary posted to the payroll system and charged to specific activities during the report period. Please note that effort percentages are based on prior-period estimates and in some cases may not reflect actual performance.

10. If effort varies by an unreasonable amount (>5%), the PI, PD or a designated knowledgeable individual shall effect the necessary adjustments via PCR for salary and fringe benefit costs that have been charged or not charged to sponsored programs when those costs are less than/greater than the allowed reasonable variation.

11. Standardized directions for completing the effort report:

a. Please verify the effort by Sponsored Program as noted in the Cost Distribution column of the report for the period as indicated by the report.

b. Certify via the link indicated on the report.

12. Published regulations on effort reporting recognize that in an academic setting, teaching, research, service, and administration are often inextricably intermingled. It is recommended to use reasonable estimates and allocations of effort among closely related activities.

a. If the report indicates that the employee is being paid from a sponsored agreement and the effort is LESS (by more than 5%) than what the employee is being paid; a payroll adjustment via PCR must be made to offset the allocation of percentages to the appropriate fund source.
b. If the report indicates that the employee is being paid from a sponsored agreement and the effort is GREATER (by more than 5%) than what the employee is being paid and if the additional effort in question has been paid from a departmental account, no payroll adjustment will need to be made. If the effort is from a non-departmental account, a payroll adjustment via PCR must be made.

13. Cost-sharing: If the employee expends effort on a sponsored research project but does not charge the project for all (or any) of his or her salary for that effort, the effort expended on the project must still be allocated to the project. The unfunded effort is generally considered cost sharing and must be recorded in a hard copy Effort Report form. The hard copy form template is available from your grant accountant is OSP.

14. To prepare for the time when the PI or PD may not be available to make the certification in the appropriate time frame, it is advisable to designate a delegate for certification. This delegate should be someone who, according to Federal guidelines, "has suitable means of verification" of the effort on the program. Typically that person would be a direct supervisor such as a department chair. It is recommended that this delegation not be made to a subordinate.

15. Questions regarding this procedure may be addressed by calling 512-245-2102 or emailing grants@txstate.edu for assistance.

CERTIFICATION STATEMENT

16. This PPS has been approved by the reviewer listed below and represents Texas State's Division of Academic Affairs policy and procedure from the date of this document until superseded.

Review Cycle: ______________________ Review Date: __________
Reviewer: __________________________ Date: _________________
Approved: _________________________ Date: _________________

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