



UT System Grant Policy Library -- Policy INT153

Time and Effort Management and Reporting Policy

Responsible Officer: Associate Vice Chancellor-Controller and Chief Budget Officer

Sponsoring Office: Office of the Controller

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POLICY STATEMENT

This policy provides requirements and guidelines for time and effort reporting and management of effort commitments for all sponsored programs, federal, state, and private, at UT System Administration (UTS).

RATIONALE

The US Office of Management and Budget Circular A-21, *Cost Principles for Higher Educational Institutions*, (OMB Circular A-21) is the authoritative source regarding what costs are allowable and allocable to federal grants. OMB Circular A-21, Section J.10, sets forth criteria for acceptable methods of charging salaries and wages to federally sponsored projects. OMB Circular A-21 also requires that institutions develop a mechanism to determine how individuals actually expend effort and prescribes criteria for acceptable methods of documentation.

As a recipient of sponsored funds, UTS must assure that the proposed effort commitments are fair, reasonable, and timely. Salaries and wages should also be budgeted commensurate with the proposed level of effort charged to the program and managed consistently across the institution. The management of effort commitments requires communication and coordination among offices within UTS.

Effort reporting certifies to the granting agencies that the effort required as a condition of the award has actually been completed. The Effort Certification System (ECS), an after-the-fact confirmation method of time and effort, is used to facilitate this reporting. This system reflects an individual's payroll distribution to various institutional accounts, including sponsored program accounts, and their estimation of actual time spent on activities such as instruction, research, and other functions. It documents the distribution of salaries and wages based on a reasonable estimate, which distinguishes between institutional activities and sponsored activities and reports on an academic period basis. Time and effort certification report is required twice a year for those employees when a portion of salary is funded by sponsored projects. Effort reports should be certified by someone who has direct involvement with the sponsored projects, has a suitable means of verification that the work was performed, and has accountability for deliverables for the project.

Effort reporting is considered as a high risk area for many institutions. Failure to verify time and effort within the certification period or improper allocation of employee's time according to contractual agreement can lead to breach of contractual agreement, loss of future awards, and adverse public image. Criminal charges may be brought against an individual who certifies a falsified report (Federal False Claims Act).

While OMB Circular A-21 is the authoritative source regarding federal grants non-federal agencies refer to OMB Circular A-21 as well. Currently, effort expended on any sponsored project, federal or non-federal will be included in the ECS.

SCOPE

All offices of UT System Administration

WEBSITE ADDRESS FOR THIS POLICY

<http://www.utsystem.edu/policy/policies/int1153.html>

RELATED POLICIES, REQUIREMENTS OR STANDARDS

UT System Administration Policies & Standards	Other Policies & Standards
<ul style="list-style-type: none">• UTS163, Guidance on Effort Reporting Policies• INT152, Cost Transfer Policy• INT158, Cost Sharing Policy	<p>OMB A-21 Federal Administrative Requirements for Grants with Institutions of Higher Education. http://www.whitehouse.gov/omb/circulars/a021/a21_2004.html</p> <p>OMB A-110 Uniform Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations http://www.whitehouse.gov/omb/circulars/a110/a110.html</p>

CONTACTS

If you have any questions about UT System Administration policy UTS 153, *Time and Effort Reporting Policy*, contact the following office(s):

Subject	Office Name	Telephone Number	Email/URL
Grants	Office of the Controller	512.499.4527	controllersoffice@utsystem.edu http://www.utsystem.edu/cont

DEFINITIONS

Certifier

An individual who verifies that the services performed by employees are accurate.

Department Administrator

Department administrator is an administrative staff that works at the departmental level and coordinates with the department head and Principal Investigators to support and provide guidance on the administration of compliance, financial, personnel, and other related aspects of departmental and sponsored projects.

Documentation

Timesheets and any other documentation that supports the transaction.

Effort

Actual amount of time spent by an individual on a sponsored project. Individual effort is expressed as a percentage of the total amount of time spent on work-related activities for which the individual is compensated. It is not defined as percentage of a 40-hour workweek or any other standard workweek since the number of hours each week may substantially exceed 40 hours. All effort must equal 100%.

Effort Reporting

The method of certifying to the granting agencies that the effort required as a condition of the award has actually been completed and that salaries and wages charged to each sponsored agreement are reasonable in relation to the actual work performed.

Effort Certification System (ECS)

Web-based means, created by UT Austin, provides a web-based means for Principal Investigators or other knowledgeable persons to certify the effort of University of Texas System Administration employees who are paid by sponsored research projects. ECS pulls information from payroll records and therefore would delineate employees' activities between sponsored programs and non-sponsored programs.

Payroll distributions and Effort Certifications are not the same thing. Payroll distributions describe the allocation of an individual's salary while Effort Certifications describe the allocation of an individual's effort.

Effort Commitment

Effort committed or promised *prior to* or at the start of the project. It is *not* the actual effort expended, but a *projected* amount. The amount committed should be a realistic amount that can be adhered to. Effort commitment is tracked in the **Effort Certification System (ECS)**.

OMB Circular A-21

A circular published by the federal [Office of Management and Budget \(OMB\)](#) that establishes the principles for determining the costs applicable to grants, contracts, and other government agreements with educational institutions.

Precertifier

An individual who has direct knowledge and suitable means of verification of the services performed by employees on sponsored project.

Principal Investigator (PI)

The individual responsible for the conduct of research or other activity described in a proposal for an award.

Sponsored Program/Project

An externally-funded activity that is separately budgeted and accounted for and governed by specific terms and conditions of the sponsoring organization. Sponsored program may be in the forms of grants, contracts, or cooperative agreements for research, instruction, and public service activities.

RESPONSIBILITIES

Principal Investigator (Certifier)

- Monitor and review their projects' time and effort on a regular basis to ensure the accuracy and appropriateness of all effort expended on the sponsored project
- Ensure that proposed level of effort is reasonable and necessary to carry out the proposed project
- Ensure that the individual listed in a proposal is aware and has approved his/her participation in the activity and the committed effort in the proposal has been reviewed and approved by his/her supervisor
- Ensure that an individual's total effort does not exceed 100%
- Ensure that PI's other activities will not conflict with the proposed effort commitment
- Obtain sponsor's prior approval when the reduction for the effort of PI and/or key personnel is greater than 25% (OMB A-110)
- Establish effective processes and controls to ensure compliance with effort reporting requirements and provide oversight for those processes and controls

Department Administrator/Business Manager (Precertifier)

- Compare individual's monthly activity, based on the actual salary amount paid from the sponsored project, and records maintained in the department with the actual appointment. If the difference is greater than $\pm 5\%$, and adjustment is necessary.
- Establish cost sharing account
- Ensure that salary cap imposed by the sponsor are correctly calculated and recorded properly
- Ensure the timeliness of requests to sponsor regarding the reduction of effort
- Review and provide salary distribution and effort commitment information to PI
- Make any necessary adjustments in labor distribution in accordance with *Cost Transfer Policy*
- Maintain official records

Office of the Controller-Grants and Contracts Manager

- Review proposals in accordance with the sponsors' requirements and policies
- Review requests for reductions of effort

PROCEDURES

Proposing Effort and Requesting Salary Support

PIs must provide reasonable estimates of the percent of effort necessary to carry out the proposed project. The proposed or estimated effort is expressed in relation to each individual's total effort.

Minimum Proposed Committed Effort

The majority of UTS sponsored projects are cost-reimbursable agreements obtained through a proposal process that describes the level of effort the PI and other key personnel will devote to the project. After the award is granted and accepted, the PI and key personnel are committed to provide that proposed level of effort over the budget period unless the sponsor permits otherwise.

At least 1% Full Time Equivalent (FTE) commitment is required for the PI and other key personnel during the period of the project. This minimum requirement does not apply to equipment grants; dissertation support, training grants or limited-purpose grants such as travel grants or conference support.

Maximum Proposed Committed Effort

The Principal Investigator and key personnel may have other responsibilities that prevent them from devoting 100% of their time to sponsored program activities. Those activities are unallowable on the sponsored program under OMB A-21, therefore, cannot be paid from sponsored program accounts or included in the effort reporting. Sponsored activities must be reviewed regularly to ensure that adjustments are made consistently with sponsored terms and conditions.

The PI and the Department Administrator must review proposed effort to assure that there are no other activities required of the PI and key personnel that would reduce the effort available for sponsored activities. Key personnel who have no other responsibilities are the exception to this rule.

The effort certification should reflect the percentage of actual time spent on the sponsored project expressed as a percentage of total effort, not hours. The total effort may not exceed 100% and should include only those activities for which the individual receives regular compensation from sponsored project agreement.

Who needs to certify time and effort reporting?

Certification is required of all personnel (professional and non-professional employees) whenever a portion of their salary is charged to a sponsored project. This after-the-fact confirmation may be confirmed by responsible persons with suitable means of verification that the work was performed and the amounts shown are a reasonable estimate of actual work performed during the stated period.

When to certify time and effort reporting?

To comply with this federal requirement, an after-the-fact confirmation called Effort Certification System (ECS) has been established. Confirmation is done on a semi-annually basis. The website for ECS is: <https://utdirect.utexas.edu/acct/cg/ecs/>.

How to certify time and effort?

- a. An email is sent out semi-annually approximately 60 days after six-month period ends (August and February) to the pre-certifier and certifier (PI) of each department of the upcoming time and efforts reporting. Each report, listed by an account number and generated from payroll information, is a representation of an individual's monthly activity on a sponsored project.
- b. PI must verify that the report includes the names of all individuals who were paid from sponsored project funds and the percent time listed on the report is reasonable in relation to the work performed by each employee during the certification period and accurate with records maintained in the department.
- c. If, after reviewing the ECS, PI determines that corrections are needed, those corrections must be made immediately through Cost Transfer Form and Personnel Appointment Form (PAF).
- d. Cost Transfer Form and PAF will be sent to Office of the Controller for approval.
- e. A copy of both forms should be attached to the Time and Effort Certification Report and kept on file in the department.

A reminder and follow-up emails will be sent prior to the reporting period deadline to ensure that all time and effort reports are corrected and completed within the required period of less than 45 days.

Prohibitions

In accordance with UTS 163, “Guidance on Effort Reporting Policies”, *no changes are permitted after Effort Certification reports are completed* and signed by the individual unless it benefits the sponsor.

All salary expenses that are not certified in a timely manner must be transferred from the sponsored account to a non-sponsored program account.

Changes to previously certified reports are discouraged. A retroactive adjustment including a letter of justification must be done within 90 days of original transaction.

Retroactive changes will not be approved when change is merely for the purpose of utilizing unexpended funds of a sponsored project or avoiding a cost overrun.

Effort Reports Record Retention

Effort reports must be maintained and made available for a period of three years from the date of submission of the final expenditure report (OMB A-110 and Federal Acquisition Regulations).

Effort Reporting Training

All individuals working on sponsored programs are required to take time and effort training.

FORMS AND TOOLS/ONLINE PROCESSES

None

APPENDIX

None

Keywords: grants, effort reporting, time management, effort management
