

STEPHEN F. AUSTIN  
STATE UNIVERSITY

Office of the General Counsel

**POLICY SUMMARY FORM**

**Policy Name:** Effort Reporting and Certification for Sponsored Activities

**Policy Number:** 8.1

**Is this policy new, being reviewed/revised, or deleted?**    Review/Revise

**Date of last revision, if applicable:** 7/28/2015

**Unit(s) Responsible for Policy Implementation:** Provost and Vice President for Academic Affairs

**Purpose of Policy (what does it do):** This policy establishes requirements to facilitate compliance with laws and regulations concerning employee effort for salary expenditures and cost-sharing requirements related to grants, contracts and other sponsored agreements (grants).

**Reason for the addition, revision, or deletion (check all that apply):**

- ☒ Scheduled Review      ☐ Change in law      ☐ Response to audit finding  
☐ Internal Review      ☐ Other, please explain:

*Please complete the appropriate section:*

**Specific rationale for new policy:**

**Specific rationale for each substantive revision:** Revisions include basic updates and edits for clarification purposes.

**Specific rationale for deletion of policy:**

*Additional Comments:*

Reviewers:

Academic Affairs Policy Committee  
Steve Bullard, Provost and Vice President for Academic Affairs  
Damon Derrick, General Counsel

# Effort Reporting and Certification for Sponsored Activities

**Original Implementation:** January 29, 2008

**Last Revision:** July 28, 2015

This policy establishes requirements to facilitate compliance with laws and regulations concerning employee effort for salary expenditures and cost-sharing requirements related to grants, contracts and other sponsored agreements (grants).

Recipients of federal funds must maintain a system of internal controls that provide reasonable assurance that payroll charges are accurate, allowable, necessary, and properly allocated among grant and institutional activities. Recipients of grants must exercise due diligence in the review and certification of effort reports.

*Effort expended for extra compensation as defined in the Salary Supplements, Stipends and Additional Compensation policy (12.16), or for work not compensated by the university, is not included in effort calculations. Refer to Compensation from Grants, Contracts and Other Sponsored Agreements (12.1).*

1. Effort is defined as the percent of time spent on a particular activity and is not based on a traditional 40-hour work week. The total effort associated with institutional base salary (IBS) is defined as 100% effort. This includes instruction, departmental administration, departmental research, grants, and other institutional activities.

~~Effort expended for extra compensation as defined in the Salary Supplements, Stipends and Additional Compensation policy (12.16), or for work not compensated by the university, is not included in effort calculations. Refer to Compensation from Grants, Contracts and Other Sponsored Agreements (12.1).~~

The federal government recognizes that decisions made in the certification of effort percentages to individual sponsored activities are based on reasonable estimates. It is recognized that, in an academic setting, teaching, research, service, and administration are often inextricably intermingled. Therefore, a precise assessment of factors that contribute to costs is not always feasible, nor is it expected. Reliance, therefore, is placed on estimates in which a degree of tolerance is appropriate.

Tolerance is defined by the university as +/- five percent (5%) of the committed effort. Therefore, if the percentage on the effort report reasonably reflects one's effort within this variance, the effort percentage may be confirmed as a reasonable estimate. Effort certification report adjustments may be required when: a) effort does not match salary expenditures within the tolerance limit for the time period covered by the report; b) there are payroll cost transfers; or c) revised personnel actions are generated.

2. Effort certification reports are required for ~~faculty, staff, and students~~ *all employees* who devote effort (paid or cost-shared) to one or more grants. These records are generated by and retained in the Banner effort system for salaried individuals. For hourly paid individuals, certified time records are generated and retained in the TimeClock Plus system or recorded manually on time sheets retained by the department, and serve as alternate official effort certification records.
3. After-the-fact effort reporting is required for all sponsored projects grants regardless of the source of funds (Federal, state, or private). *After-the-fact reporting is defined as certification reports originated after the work has been performed.*
4. Project directors (PDs) or principal investigators (PIs) are responsible for ensuring that effort certification reports are completed accurately and in a timely manner for each individual subject to this policy from a grant for which they serve as PD/PI.

Effort reports must be certified by a person having either firsthand knowledge of the work performed or a suitable means of verification that the work performed was related to the specific sponsored activities. Normally, this certification is performed by the employee, PD or PI. If one of these persons is unable to certify the effort report, a surrogate with firsthand knowledge or who has a suitable means of verification as described above may certify the report (e.g., the unit head, a co-investigator). The PD/PI will certify effort for graduate students.

5. Effort attributed to any grant must represent work specific to the agreement. Intentional falsification, forgery, or fraudulent alteration of effort certification reports constitutes fraud. Non-compliance with this policy and related procedures may result in penalties levied against the departments, divisions, schools and/or the university. Individuals with roles and responsibilities in the certification process are held responsible for any instances of non-compliance. Criminal and/or employee discipline measures may be pursued.

If effort reports are not certified in a timely manner, the Office of Research and ~~Sponsored Programs~~ *Graduate Studies* will take actions to assist with compliance of this federal requirement. These actions may include, but are not limited to: a) withholding submission of proposals, project applications or other documents such as material transfer agreements; b) freezing active grant funds; or c) adjusting uncertified labor distributions and the effort they represent to non-sponsored Banner funds managed by the administrative unit.

6. Each individual with responsibilities related to effort certification must thoroughly understand the proper method of reviewing and certifying the effort reports to ensure the reports reasonably reflect effort expended toward grants and other activities during the report period. Thus, effort training is mandatory for all employees who certify payroll expenses.

Procedures for effort reporting and certification are outlined in the Grants and Contracts Procedures Manual published by the Office of Research and ~~Sponsored Programs~~ *Graduate Studies*.

**Cross Reference:** 2 C.F.R. § 200.430; ~~A-~~ Texas Uniform Grant Management Standards, II.B(11)(h)(1-5,7); ORGSSP Grants and Contracts Procedures Manual; Salary Supplements, Stipends and Additional Compensation (12.16); Compensation from Grants, Contracts and Other Sponsored Agreements (12.1)

**Responsible for Implementation:** Provost and Vice President for Academic Affairs

**Contact for Revision:** ~~Director~~Dean, Office of Research and ~~Sponsored Programs~~  
*Graduate Studies*

**Forms:** Banner Effort Certification Reports; TimeClock Plus records; time sheets

**Board Committee Assignment:** Academic and Student Affairs