

15.01.04.R0.01 Time and Effort Certification

Revised October 4, 2023

Next Scheduled Review: October 4, 2028



Procedure Summary

East Texas A&M University's (the University) time and effort certification process provides verification of salaries and wages as well as the time and effort charged to these projects. This procedure applies to the effort of all individuals who have salaries or wages paid from federal, federal flow-through sponsored programs, cost share on federal or federal flow-through projects, or from projects with time and effort reporting requirements.

As a condition of receiving federal funding, and in compliance with The Texas A&M University System Regulation 15.01.04, the University establishes this procedure as a requirement for maintaining and certifying the percentage of time that employees devote to sponsored projects.

Procedures and Responsibilities

1 GENERAL

- 1.1 Effort certification and reporting is a process mandated by the federal government to verify that direct labor charges to, or cost shared, on federal, federal flow-through, or other sponsored projects that require effort reporting are accurate, timely, and reflect the actual level of work performed.
- 1.2 The University is required to establish and maintain an accurate payroll distribution system that reasonably distributes salary charges among direct activities, such as teaching, research, and service. The University utilizes the after-the-fact confirmation method to certify effort, requiring the Principal Investigator (PI), or any individual with first-hand knowledge of such effort, to confirm that the charges assessed to a sponsored project are appropriate to that award and documented in periodic effort certifications. Therefore, the University must ensure that the salaries and wages charged to these sponsored projects are allocable, allowable, consistently treated, and reasonable.
- 1.3 PIs who work on sponsored agreements that are federal or federal flow-through sponsored programs, or funded by sponsors who require effort reporting, or cost share for these projects, are personally responsible for certifying 100% of their total effort, with each project identified separately. Without exception, these individuals must complete and submit effort certification reports every six months through the time and effort reporting system.

- 1.4 For students and non-exempt staff members working on sponsored projects, allocation of time to sponsored projects is determined by the PI and/or his or her designee who has first-hand knowledge of the effort expended by these individuals.
- 1.5 All PIs and other employees involved in the administration and/or performance of sponsored projects are responsible for understanding the basic principles underlying the allocation of effort and the charging of salaries to sponsored projects to ensure compliance. This allows the University to retain the right to accept sponsored funds. Lack of compliance could jeopardize the institution's ability to accept funds from sponsoring agencies.

2 PROCEDURES

- 2.1 The University utilizes after-the-fact confirmation to certify that salary and wage charges are appropriately assessed to an award.. Each project account requiring time and effort is flagged at the point of creation in FAMIS/MAESTRO. A payroll distribution report will be prepared every six months for exempt & non-exempt employees (January 1st – June 30th and July 1st – December 31st) for certification of effort from the Time and Effort system. In the report, the distribution of compensation paid to the employee is calculated in percentages for sponsored project-funded time, cost-shared time, and all other institutional activities.
- 2.2 A web-based time and effort system will be used for confirmation and certification of employees. This system is accessed through the Single Sign-On at <https://sso.tamus.edu/logon.aspx>. A PI supervising employees working on a sponsored agreement must certify the effort reported. Faculty are eligible to self-certify, but all others paid from grant funds must be certified by the PI, even if the individual reports functionally in a different department than the PI. Certification of effort will be based on after-the-fact confirmation as defined in 2 CFR Part 220.
- 2.3 By signing the certification form, the individual attests that he/she has a suitable way of verifying the stated effort and that the effort amounts shown on the forms are reasonable estimates of actual work performed during the stated period. Most commonly, it is the PI who has this first-hand knowledge, although in some cases it may be a designated individual who has firsthand knowledge of the effort provided on the project. Voluntary uncommitted cost sharing is excluded from tracking or reporting requirements.

2.4 **An individual's total institutional activities may not exceed 100%** and must be consistent with his/her other duties. For example, an individual who teaches for 60% in the Fall semester and receives a release of 20% for service or other institutional activities in the Fall semester, can only receive a release of UP TO 20% for grant activities in the Fall semester. In summer sessions, all activities will still count towards 100% effort. The University standard for summer pay is calculated at 30% of the 9-month institutional base salary for earning in the summer period, and cannot exceed more than the 30% calculation if any portion of salary is paid from federal funds. If an awarding grant entity has further restrictions, those restrictions supersede this procedure and must be followed (i.e., NSF Two-Month Rule).

2.4.1 System regulations govern salary payments for all individuals, and the base salary of a full-time employee is not to be increased by virtue of funding from a grant or contract. In such cases, the salary is funded in accordance with the portion of time spent on assigned duties (*31.01.01 Compensation Administration*).

2.5 Except for proposals that are solely for equipment or instrumentation, doctoral dissertations, travel, student training, etc., the **minimum** level of effort devoted to a sponsored project is 1%. The minimum effort and the investigator's actual effort must be commensurate with his/her responsibilities on the sponsored project.

2.6 Once the certification reports are made available in the system, employees have a maximum of 45 days to certify their effort in the system. If the certification is not signed within 30 days, then an e-mail reminder will be sent to the employee's departmental administrator to ensure that the effort certification and any necessary payroll corrections are completed before the 45-day time expires. If the certification is still not signed after 45 days, the sponsored project account(s) will be frozen.

2.6.1 Any individual who submits a falsified report or fails to comply with the requirements of this policy in a timely manner may be subject to disciplinary action up to and including termination and/or funding disallowances. Forty-five days are allowed for certification of an effort report and failure to certify a report within this time period can lead to fines, loss of future awards, and/or other disciplinary actions.

2.7 An individual's base salary may not, under any circumstances, be increased as a result of acquiring grant funds. An individual's salary only increases if the University has issued a formal increase for the individual through the annual review process or other authorized compensation method.

3 RESPONSIBILITIES

3.1 The PI or key personnel and the appropriate department payroll administrator(s) are responsible for making a good faith effort to charge sponsored projects based on the actual work performed as a percentage of total time.

- 3.2 The PI is responsible for his/her level of effort and should communicate any significant changes in level of effort to Financial Services. This assurance and the time and effort assurances in 3.1 (above) are not intended to limit the discretion and authority of the PI to make changes to the time and effort commitments of sponsored project personnel consistent with the changing needs of a sponsored project, the policies and requirements of the sponsoring agency, and the rules and procedures of the University.
- 3.3 It is the responsibility of the PI to ensure that all expenditures are within limits of the approved budget and in compliance with sponsor guidelines, system policies and regulations, and university rules and procedures.

4 TRAINING

- 4.1 All individuals involved in an externally funded research or sponsored program activity are required to complete an approved time and effort certification training program at least once every two years.
- 4.2 For newly hired personnel who will devote effort to a sponsored project, time and effort certification training must occur within 30 days of being hired by the University.

Related Statutes, Policies, or Requirements

2 CFR Part 220, [*Cost Principles for Educational Institutions*](#) (OMB Circular No. A-21)

OMB Circular No. A-110, [*Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations*](#)

OMB Circular No. A-133, [*Audits of States, Local Governments, and Non-Profit Organizations*](#)

[*System Regulation 15.01.04 Time and Effort Reporting*](#)

[*System Regulation 31.01.01 Compensation Administration*](#)

Suspends University Procedure *15.01.01.R0.04 Time and Effort Certification*

Definitions

Cost Sharing: the mandatory or voluntary commitment of institutional resources contained in the proposal/application and resulting award. The concept of matching is synonymous with cost sharing.

Effort: the amount of time spent on any activity expressed as a percentage of total institutional activities for which an individual is compensated by A&M-Commerce and includes:

1. Research or sponsored projects (i.e., contracts and grants).
2. Instruction and non-sponsored research.
3. Administrative duties.
4. Other institutional activities/responsibilities.

Completed effort certification should reflect all activities conducted under the terms of employment, which typically DOES NOT include:

5. Outside consulting.
6. Stipend payments.

Total effort MUST equal 100% for any individual paid from a sponsored project.

Effort Certification: a way of confirming that all of the effort committed to a project, whether paid on the sponsored award account or expended in support of a project (but not paid on the sponsored account) has been performed. Effort certification is not a verification of the payroll system's accuracy. Payroll distribution allocates an individual's salary, whereas effort certification verifies the allocation of an individual's time expressed as a percentage of his/her total institutional activities.

Individual: anyone who has paid effort and/or committed effort on a sponsored program.

Total Institutional Activities: those activities for which an individual is paid by the institution. Common activities include administrative duties, instruction, research, and public service.

Revision History

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Contact Office

Financial Services
903.886.5899
Accounting@tamuc.edu