**Effort Reporting on Sponsored R/PPS No. 03.01.20**

**Programs Issue No. 3**

**Effective Date: 05/03/2022**

**Next Review Date: 03/01/2026 (E4Y)
Sr. Reviewer: Vice President for Research and Federal Relations**

**POLICY STATEMENT**

*Texas State University is committed to properly* managing funding that supports the university mission.

**01. PURPOSE**

01.01 This policy provides an acceptable method to document the distribution of charges for personal services on sponsored research projects in compliance with [Office of Management and Budget Uniform Guidance](https://www.grants.gov/web/grants/learn-grants/grant-policies/omb-uniform-guidance-2014.html) and other regulations. Certification of effort is one of the financial management responsibilities that a principal investigator (PI), effort certifier (EC), or designee, accepts when they accept a sponsored research project. By certifying effort, the PI, EC, or designee, 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.

**02. DEFINITIONS**

02.01 Effort – can be represented by time worked on a project, or by funds paid for service.

02.02 Reasonable – shall mean within plus or minus five percent of actual effort.

**03. CERTIFICATION OF EFFORT**

03.01 Certification of effort on federally-sponsored awards is required under the terms of [Office of Management and Budget Uniform Guidance](https://www.grants.gov/web/grants/learn-grants/grant-policies/omb-uniform-guidance-2014.html).

03.02 Certification of effort on some state-sponsored awards is required under the terms of [Uniform Grant Management Standards](https://comptroller.texas.gov/purchasing/docs/ugms.pdf) and by other sponsors.

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

03.04 Timely and accurate certification of effort reports is required in order for the university to continue and to receive external funding.

**04. REPORTING PROCEDURES**

04.01 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 six-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; and

e a certification statement.

The SAP enterprise system will send these reports through SAP Workflow to the PI, EC, or designee. Upon receipt of the effort report, the PI, EC, or designee, 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 within 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.

Note: Effort percentages are based on prior-period estimates and in some cases may not reflect actual performance.

04.02 If effort varies by an unreasonable amount (greater than five percent), the PI, EC, or designee, 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 outside the allowed reasonable variation.

04.03 Standardized directions for completing the effort report

a. verify the effort by sponsored program, as noted in the Cost Distribution column of the report for the period as indicated by the report; and

b. certify via the link indicated on the report.

04.04 Published regulations on effort reporting recognize that in an academic setting, teaching, research, service, and administration are often inextricably intermingled. It is recommended that reasonable estimates and allocations of effort be used 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 five percent) 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 five percent) 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.

04.05 Cost-Sharing – If the employee expends effort on a sponsored research project but does not charge the project for all (or any) of their 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 a grant accountant at the Post-Award Support Services Office.

04.06 In preparation for the time when the PI or EC 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.

04.07 Questions regarding the procedures found in this policy may be addressed by calling 512.245.2102 or emailing grants@txstate.edu for assistance.

**05. REVIEWER OF THIS PPS**

05.01 Reviewer of this PPS includes the following:

Position Date

Vice President for March 1 E4Y

Research and Federal Relations

**06. CERTIFICATION STATEMENT**

This PPS has been approved by the following individuals in their official capacities and represents Texas State Research policy and procedure from the date of this document until superseded.

Vice President for Research and Federal Relations; senior reviewer of this PPS