

## Handbook of Operating Procedures

### MANAGING AND CERTIFYING EFFORT ON SPONSORED PROJECTS

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#### A. Purpose

Effort certification policies, procedures, and reports are essential to ensure the salaries and wages charged to sponsored projects are allocable, allowable, consistently treated, and reasonable. The purpose of this policy is to provide requirements and guidelines for time and effort reporting and management of effort commitments for all sponsored projects at The University of Texas Rio Grande Valley (UTRGV).

#### B. Persons Affected

This policy applies to all individuals whose effort is supported by an externally funded sponsored project of any type. This policy also applies to any individual with responsibility for allocating labor expenses to sponsored projects and to any individual involved in the management, administration, or oversight of sponsored projects.

#### C. Policy

1. It is the policy of UTRGV to comply with federal guidelines and regulations regarding effort certification of individuals on sponsored projects and to maintain records that accurately reflect the effort contributed by individuals to sponsored projects. Effort committed by individuals on sponsored projects must reasonably reflect the time devoted to each sponsored project, and also allow the individual to fulfill the individual's other institutional obligations.
2. Primary Individuals are required to use UTRGV's effort certification system to certify their own effort and the effort of supporting individuals that worked on their sponsored projects, and are responsible for the accuracy of the certifications. Primary individuals must verify the effort compensated as salaries charged to sponsored projects every semester. Primary individuals must verify the effort compensated as wages when approving account reconciliations each month.
3. Effort-related policies are not intended to and will not in any way change the employment relationship between UTRGV and any of its employees.
4. Non-compliance with this policy may lead to suspension of the Primary Individual's research rights and privileges with UTRGV. If the Primary Individual does not adhere to this policy and certify effort within the 30-day certification period, UTRGV may refuse to allow the Primary Individual to submit proposals and may inactivate existing accounts in the accounting system.
5. UTRGV is required under federal regulations and the terms and conditions of its sponsored projects to comply with all compensation documentation requirements. Failure to comply with the requirements of this policy and its accompanying procedures could result in an

individual being subject to discipline, up to and including termination of employment or non-renewal of appointment. In addition, an individual who falsifies documentation related to certifying effort, including compensation documentation, may be subject to criminal prosecution.

6. All Supporting Individuals (who commit effort on sponsored projects), Primary Individuals (who commit and certify their own effort and certify the effort of their supporting individuals), and Department Effort Coordinators (DEC) involved with the effort certification process are required to complete the UTRGV – Time and Effort Certification Training, which is part of the Online Employee Compliance Training.

#### **D. Procedures**

##### *1. General Requirements:*

- a. The Primary Individual is responsible for determining the appropriate effort committed on a sponsored project during proposal development. The effort must reflect a reasonable estimate of the time that will be required to conduct the project.
- b. Primary Individuals are required to use UTRGV's effort certification system to certify their own effort and the effort of their supporting individuals that worked on their sponsored projects during each certification period. The Primary Individual can authorize a Department Effort Coordinator to review the effort statements, but the Primary Individual remains ultimately responsible for the accuracy of the certification.
- c. The Primary Individual is required to complete the effort certification within 30 days of receipt of notification by the Office of Grants and Contracts to certify effort.
- d. The effort expended on total institutional activities should equal 100%. In all cases, charges to sponsored projects cannot exceed the proportionate share of total activities at the researcher's institutional base salary (IBS) rate of pay.
- e. Sponsors may have limits on the total amount of compensation that can be charged for personal services to a sponsored project, often referred as a "salary cap." UTRGV will adhere to the limitations made by the sponsoring entity during the budget development process and award management.
- f. The number of months during the summer that a researcher can claim salary may be limited by summer teaching assignments, service requirements and other activities, and by other funding agency requirements. See Section D.1.i below.
- g. Consistent with 2 CFR §200.430(h), faculty members are not allowed to charge a higher monthly salary rate over the summer than the proportionate share of their Institutional Base Salary.

- h. While faculty with 9-month appointments may charge up to three months of salary to sponsored projects during the summer, a full three-month research workload assumes that the faculty member has no other teaching, service, or administrative responsibilities during either summer term. This also assumes that the faculty member takes no time away during the summer months. These workload criteria are drawn from federal guidance that define the amount of salary that can be charged to a grant during the summer. Faculty planning to charge a full three months of salary to awards must obtain approval from their chair, dean, or direct supervisor, as applicable.
  - i. All individuals who are authorized to certify or save the effort statements for Primary Individuals are required to complete an effort-training course prior to performing the effort certification. Subsequent training will be provided in accordance with the following schedule, or more frequently if determined by the requirements of sponsoring agencies:
    - i. for researchers and others who have been previously authorized to certify, training will occur at least once every two years; or
    - ii. for newly hired, assigned, or engaged researchers or persons unauthorized to certify, training will occur before the next certification period.
2. *Primary Individual Responsibilities:*
- a. Identifying all intended effort on a project when submitting a proposal.
  - b. Reviewing proposed commitments with the appropriate administrator responsible for the commitment (e.g. chair, dean, or director), and obtaining his or her approval prior to submitting a proposal to the Office of Sponsored Programs (OSP).
  - c. Coordinating the review of effort statements and initiating adjustments as necessary. All effort adjustments for the period must be identified and initiated in accordance with [ADM 07-303 Cost Transfers for Sponsored Projects](#).
  - d. Certifying all effort devoted to their sponsored projects, including their own. The effort certification must be completed within 30 days of notification by the Office of Grants and Contracts to certify effort using UTRGV's effort certification system. The Primary Individual is required to monitor the level of effort committed by the Primary Individual and supporting individuals on all sponsored projects under the responsibility of the Primary Individual.
3. *Responsibilities of Chairs and Deans:*
- a. Determining the balance between the Primary Individual's research, teaching, and service. The deans of the colleges are also responsible for setting the minimum and maximum levels a Primary Individual can commit to sponsored projects and for providing OSP with that information.

- b. Ensuring that individuals working in sponsored projects do not become over-committed with more obligations than the individuals can undertake successfully.
  - c. Ensuring departmental and college needs are met, considering the different commitments undertaken by members.
4. *Supporting Individuals on sponsored projects (grants) are responsible for:*
- a. Reviewing their effort commitment and raising questions to the Primary Individual on their sponsored projects, department managers, or OSP about possible errors they perceive or anticipate.
  - b. Seeking resolution through OSP and the Office of Grants and Contracts in cases where they do not reach agreement with the Primary Individual about the correct effort percent that should be certified on a project.
5. *Responsibilities of the Office of Sponsored Programs (OSP):*
- a. Reviewing the effort committed in the proposal/application for funding.
  - b. Ensuring that the Primary Individual has gained approval from the department chair or dean, for proposals that include proposed effort exceeding their thresholds (research, service, or teaching) approved by the chair or dean for time either contributed to or charged to the project.
  - c. Ensuring that any faculty member adjustments in effort are negotiated with other funding agencies so they may commit effort to more than one sponsored project as long as the cumulative Committed Effort from all such sponsored projects does not exceed the applicable maximum level of Committed Effort.
  - d. Ensuring effort commitments have been reviewed and approved at project award stage.
  - e. Accepting awards on behalf of UTRGV subject to proper verification of the appropriate terms and conditions and any approvals required by the department chair/dean or sponsor.
6. *Responsibilities of the Office of Grants and Contracts:*
- a. Ensuring Primary Individuals certify their effort and the effort of their supporting individuals that worked on their sponsored projects after every semester through the UTRGV's effort certification system.
  - b. Reviewing all certified effort statements for compliance with this policy.

- c. Notify the Primary Individual via email of any instance of non-compliance regarding certification and correction of effort made by the Primary Individual on their own effort and the effort of their supporting individuals.
  - d. Developing and delivering education and training programs to assist all administrators, faculty, and staff in understanding the intent and the implications of policies related to effort certification.
7. *Responsibilities of Research Vice President:*
- a. Ensuring compliance with this policy.
  - b. Suspending the corresponding sponsored project account(s) until the certification of such sponsored project is completed if the Primary Individual has not complied with the notified deadlines.
  - c. Establishing an effective monitoring process that is based on risk assessment, identification of internal controls, identification of monitoring strategies to be deployed, and effectively communicating the monitoring plan criteria to the Institutional Audits Committee.

#### **E. Definitions**

1. Award – Depending on its context, either: (a) the terms and conditions associated with a sponsor’s decision to select a UTRGV sponsored project proposal or application for funding, or (b) the Notice of Award or other documentation reflecting such a decision by the sponsor.
2. Committed Effort or Effort Commitment – The percentage of effort identified in a sponsored project agreement or sponsored project proposal that is submitted and accepted by the sponsor regardless of whether salary support is requested in support of that effort.
3. Cost Sharing – Has the meaning assigned in [ADM 07-302 Cost Sharing on Sponsored Projects](#).
4. Department Effort Coordinator – The departmental individual responsible for coordination between awards and accounts and faculty and research staff in their department, to facilitate administration of the effort commitment, charging, and certification process.
5. Effort – The amount of time spent on any activity for which an individual is compensated by UTRGV. Effort is expressed as a percentage of the individual’s Total Institutional Activities, and does not assume a 40-hour workweek or any other standard workweek. Activities typically include Research (sponsored projects), Instruction (teaching/instructing students), Clinical Practice, Administrative Duties (chair, dean, proposal preparation, etc.), and other Institutional Activities (as regularly assigned). An individual’s total effort must equal 100%. For example, if an individual averages 60 hours per week during the reporting period and spends an average of 15 hours on a sponsored research/project, that represents 25% effort

- and the other 45 hours, allocated to other institutional activities, represents 75% effort. For a graduate student who is employed for only 10 hours, the 10 hours represent 100% effort. Completed effort certification should reflect all activities conducted under the terms of employment, which typically does not include activities compensated by incidental work or outside employment.
6. Individual – Any UTRGV employee who has Committed Effort (whether paid by the sponsor or cost shared) on a sponsored project. Where appropriate in this policy, the following subcategories will be utilized:
    - a. A Primary Individual has responsibility for the overall conduct and management of the research or activity as described in the proposal/application or as identified in the Notice of Award of a sponsored project. A primary individual is typically identified in the sponsored project award as principal investigator, project director, co-investigator, co-project director, or a person with comparable responsibilities on a sponsored project proposal. A primary individual typically, but not always, carries a faculty appointment.
    - b. A Supporting Individual is an employee other than the Primary Individual whose salary is supported in part or completely by sponsored research/project under the direction of the Primary Individual.
  7. Institutional Base Salary (IBS) – Total annual compensation an individual receives from UTRGV for activities that make up an individual's appointment, whether the individual's time is spent in research, teaching, or other activities. IBS includes compensation for instruction, public service, sponsored research, institutionally funded research, administrative appointments, and other related activities. IBS does not include fringe benefit payments, reimbursed expenses, overload pay, incidental pay (such as one-time bonuses), or income earned outside of duties to UTRGV. See ADM 07-304 Institutional Base Salary (IBS) Policy for a detailed explanation of institutional base salary.
  8. Maximum Level of Effort Commitment – The upper limit of (or “cap” on) that primary individuals can devote to all activities associated with a sponsored project.
  9. Sponsored Projects – A project or program that is partially or wholly supported by external funding and that has a defined scope of work or set of objectives, which provides the basis for sponsor expectations. See ADM 07-200 Sponsored Projects.
  10. Time and Effort Certification or Effort Reporting – Formal verification through UTRGV's effort certification system that Committed Effort (whether paid from the sponsored project account or cost shared) has been performed. The certification process is a key part of UTRGV's system of internal controls that provides reasonable assurance that the charges are accurate, allowable, and properly allocated.
  11. Total Institutional Activities – All activities for which an individual is paid by UTRGV as a result of their employment. Activities typically include Research (sponsored projects), Instruction (teaching/instructing students), Clinical Practice, continuous Administrative Duties (chair,

dean, proposal preparation, etc.), and other regular activities (as assigned). Only activities for which the employee is paid by UTRGV to perform (as part of Institutional Base Salary) are considered "Total Institutional Activities." See ADM 07-304 Institutional Base Salary (IBS) Policy.

**F. Related Statutes or Regulations, Rules, Policies, or Standards**

Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, Title 2 of the Code of Federal Regulations, Section 200.430, Compensation-personal services and Section 200.431, Compensation–Fringe Benefits

[ADM 07-200 Sponsored Projects](#)

[ADM 07-302 Cost Sharing on Sponsored Projects](#)

[ADM 07-304 Institutional Base Salary \(IBS\) Policy](#)

**G. Dates Reviewed or Amended**

Reviewed and amended – June 7, 2022