

UNIVERSITY RULE

15.01.01.M4 Time and Effort Reporting

Approved May 4, 2010

Revised September 10, 2013

Next scheduled review: September 10, 2016

Rule Statement

In accordance with the policy established in System Regulation 15.01.01, this Rule applies to Texas A&M University (TAMU) faculty and staff paid from federal or federal flow-through sponsored projects or from other projects with time and effort reporting requirements.

Reason for Rule

As a recipient of sponsored funds, TAMU is subject to accounting and reporting obligations to ensure the expenditures for sponsored projects represent the sponsor's fair share of total costs as determined in accordance with generally accepted accounting principles and as outlined in 2 CFR Part 220, Cost Principles for Educational Institutions (OMB Circular A-21), or as otherwise required by the award document.

TAMU must assure federal sponsors that the effort expended on their sponsored projects justifies the salary and wages charged. To provide this assurance, TAMU follows the After-the-fact Activity Reports method under OMB Circular A-21. To confirm that the distribution of activity represents a reasonable estimate of the work performed, the effort reports are required to be certified by the employee (PI eligible employees), or the responsible supervisor with first-hand knowledge or using suitable means of verification.

It is the responsibility of all TAMU principal investigators and other TAMU employees involved in the administration or performance of sponsored projects to understand the basic principles underlying the allocation of effort and the charging of salaries to sponsored projects to assure compliance and to retain TAMU's right to accept sponsored funds.

Definitions

Activity Report – This on-line report reflects the distribution of effort expended by employees covered by institutional base salary.

Certification - The process whereby the principal investigator or other key personnel devoting effort to sponsored activities attest, by approving the activity report, that the distribution of effort in the activity report represents a reasonable estimate of the work performed by the employee,

exclusive of voluntary uncommitted cost sharing, during the reporting period.

Confirmation – The process whereby an employee concurs with the allocation of 100% of time worked during the period, which is subsequently certified by an individual designated as the employee’s supervisor for time and effort.

Cost Sharing - The portion of the total project costs (as documented in the proposal) of any sponsored agreement that is not provided by the sponsor, i.e., not paid by the sponsored agreement account(s).

Effort – Since there is an “inextricable intermingling” of teaching, research and service in the academic setting, effort is defined as the time spent on any activity, which is compensated as part of an individual’s institutional base salary, expressed as a percentage of the individual’s total time. Total effort must equal 100% for an individual.

Institutional Base Salary (IBS) – The fixed monthly or hourly rate of pay that TAMU pays an employee for instruction, public service, research, and/or other activities. IBS excludes: fringe benefit payments; one time merit payments; reimbursed expenses; temporary, supplemental compensation for incidental work; and income earned outside of duties to the institution.

Key Personnel – The principal investigator and other senior personnel who contribute to the scientific development or execution of a sponsored project in a substantive, measurable way.

Payroll Administrator – The individual in the department/institute/center/unit who is responsible for administering payroll.

Principal Investigator – The individual responsible for the administrative and programmatic aspects of the proposed project.

Proposal – A request submitted to a sponsor for funds or other support to perform/achieve certain activities or purposes.

Sponsor – The external organization that is providing funding for a sponsored project to TAMU. A sponsor may be a federal agency, State of Texas agency, local government agency, another Texas A&M System member, a college or university, a private company, foundation, professional or trade association, or a foreign country or organization.

Sponsored Funds – Funds provided by a sponsor to conduct a project, typically a research project.

Sponsored Project - An externally funded activity that is governed by specific terms and conditions. Sponsored projects must be separately budgeted and accounted for subject to terms of the sponsoring agency. Sponsored projects may include grants, contracts, and cooperative agreements for research, instruction and training, and other public service activities.

Suitable Means of Verification – In most cases, the Principal Investigator or Supervisor is the most qualified person to certify effort of employees. They have daily first-hand knowledge of the work activities of the employees. Only in rare cases (i.e., extended travel outside the

country, termination of employment, leave of absence, etc.) should a designee certify effort instead of the Principal Investigator or Supervisor. The designee must be able to defend the salary allocations made. At a minimum, this process must take into consideration other University records and provide for the documented review of such records in support of work performed. Some examples of records include calendars, travel records, teaching schedules, meeting notes, logbooks, time sheets, approved monthly payroll certification reports and e-mails attesting to effort based on first-hand knowledge. Oral verification from a faculty member to an administrator will not pass the test of “suitable means of verification.” In each exception, the responsible official shall maintain documentation of what was used as the suitable means of verification for audit purposes.

Voluntary Uncommitted Cost sharing – The Office of Management and Budget (OMB) defines voluntary uncommitted cost sharing effort as "university faculty (including senior researchers or other key personnel) effort that is over and above that which is committed and budgeted for a sponsored agreement." This effort "is faculty-donated additional time above that agreed to as part of the award." Such voluntary uncommitted cost sharing is not included in the proposal budget or the narrative. OMB has excluded voluntary uncommitted cost sharing effort from payroll accounting and effort reporting requirements. Voluntary uncommitted cost sharing is allowed by TAMU.

Official Rule/ Responsibilities/ Process

1. REPORTING REQUIREMENTS

- 1.1 An effort report is generated for any employee whose salary or any portion of his or her salary is charged or cost shared to a federal, federal flow- through, or other sponsored project that requires effort reporting.
- 1.2 A principal investigator, key personnel, or designated individual supervising employees working on a sponsored project will certify the effort. Employees may be required to assist in the certification process by confirming that the allocation of 100% of time worked for the period is accurate.
 - 1.2.1 Exceptions may be granted in the case where the individual who directs or is responsible for an institute, center, laboratory or research program does not have a “suitable means of verification,” or is not available for circumstances such as extended leave of absence, termination, illness, etc. In these cases, an individual with “suitable means of verification” can be designated to certify with the approval of the department/institute/center/unit head and dean or applicable vice president.
- 1.3 Certification of effort will be based on after-the-fact confirmation as defined in 2 CFR Part 220.

- 1.4 Voluntary uncommitted cost sharing is excluded from tracking or reporting requirements.
- 1.5 A variance of up to $\pm 5\%$ is allowable between the actual percentage of time worked and the time reported. Thus, for a project where the reported percent effort spent during a reporting period is 20%, the actual percent effort is expected to be within the window of 15% to 25%.
- 1.6 With the exception of non-exempt employees, certification will take place semiannually.
 - 1.6.1 Reporting periods for certification will be January 1-June 30 and July 1-December 31.
 - 1.6.2 Certification must be completed 45 days after activity reports are available for certification.
- 1.7 Certification for non-exempt employees (e.g., students, selected technical staff positions) is required on a bi-weekly basis.
- 1.8 The web-based time and effort system will be used for confirmation and certification of exempt TAMU employees. Certification of non-exempt TAMU employees will be performed through the web-based TimeTraq system. Both systems are accessed through the Single Sign-On at <https://sso.tamus.edu/logon.aspx>.

2. COMPLIANCE

- 2.1 Failure to certify time and effort for a reporting period within the 45 days allowed for the certification, or improper allocation of an employee's time to a sponsored project can lead to fines, breach of the sponsored agreement, loss of future awards, financial audit disallowances, and adverse publicity.
 - 2.1.1 Each department/institute/center/unit is responsible for determining the appropriate course of action for individuals who do not certify in an accurate and/or timely fashion.
 - 2.1.2 Instances that are not satisfactorily resolved at the department/institute/center/unit level will be forwarded to the appropriate dean or vice president.
- 2.2 To heighten awareness and enhance understanding of the certification process, recurring training every 3 years will be required for employees who have a role in the time and effort process.

3. RESPONSIBILITIES

- 3.1 It is the responsibility of all TAMU principal investigators and other TAMU employees involved in the administration or performance of sponsored projects to assure that actual time and effort spent on sponsored projects is consistent with salaries charged to sponsored project accounts or cost sharing accounts.
- 3.2 The time and effort assurances in 3.1 are not intended to limit the discretion and authority of the principal investigator to make changes to the time and effort commitments of sponsored project personnel consistent with the changing needs of a sponsored project and the policies and requirements of the sponsoring agency.

4. PROPOSAL AND SPONSOR COMMITMENTS

- 4.1 The best estimate of time needed to complete the work should be part of the budget preparation process for the proposal. When budgeting effort, principal investigators must not over commit themselves or others and must take into account the time required for instruction, public service and other activities. This effort may be expended during the academic year, summer, or both and includes all time to be paid by the sponsor or cost shared (paid by TAMU). The budgeted salary and/or cost sharing for this best time estimate is calculated as follows: $(IBS) \times (\text{proposed monthly level of effort}) \times (\text{number of months}) = \text{amount budgeted in the proposal}$. For example: $\$5,000 \times 10\% \text{ effort} \times 6 \text{ calendar months} = \$3,000 \text{ budgeted salary}$.
- 4.2 “Zero percent” effort or “as needed” is not an acceptable level of involvement for key personnel. TAMU requires a commitment of effort based on the best estimate needed to complete the scope of work on part of the key personnel during the period in which the work is being performed. This is not required for the following types of proposals: equipment grants, travel grants, professional society editorships, conference support, dissertation support, training grants, scholarship/fellowship grants, or other awards intended as student augmentation. Requests for additional exceptions must be approved by the TAMU Division of Research, Office of Research Administration prior to the proposal routing.
- 4.3 An individual’s commitment to sponsored projects may equal 100% only if the individual’s entire TAMU activities during the pay period can be allocated to sponsored projects. Any individual engaged in administrative, teaching and other duties in addition to sponsored projects to include writing new or competing grant proposals, or serving on a university committee, cannot allocate 100% time to sponsored projects.

5. POST-AWARD ADMINISTRATION AND PAYROLL CHARGES TO SPONSORS

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

- 5.2 If actual work performed varies significantly from the proposal budget, sponsor approval may be required. Subsequent changes in levels of effort may also require advance notification to and approval by sponsors. The principal investigator or key personnel should contact Sponsored Research Services to discuss alternatives.
- 5.3 An individual's salary charged to a sponsored project cannot exceed the IBS.
- 5.4 Project payroll reports and effort reports are not the same thing. Payroll distributions document the employee's allocation of salary charges to a specific project while effort reports document 100% of the individual's actual time and effort spent on specific activities whether or not reimbursed by the sponsor (cost share).

Related Statutes, Policies, or Requirements

[2 CFR Part 220, Cost Principles for Educational Institutions](#)

[System Regulation 15.01.01 Administration of Sponsored Agreements - Research and Other](#)

Contact Office

OFFICE OF RESPONSIBILITY:

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