

## STANDARD ADMINISTRATIVE PROCEDURE

### 15.01.04.M0.01 Time and Effort Reporting

*Approved May 4, 2010*

*Revised September 10, 2013*

*Revised March 25, 2019*

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#### Procedure Statement

In accordance with System Regulation 15.01.01, this procedure applies to Texas A&M University faculty and staff paid from federal or federal flow-through sponsored projects or from other projects with time and effort reporting requirements.

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#### Reason for Procedure

As a recipient of sponsored funds, Texas A&M 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 Chapter II, Part 200, Subpart E, §200.430, Uniform Administrative Requirements, Cost Principles, and Audit for Federal Awards (Uniform Guidance - UG), or as otherwise required by the award document.

Texas A&M must assure federal sponsors that the charges to Federal Awards for salaries and wages are accurate, allowable, reasonable, and properly allocated. To confirm that the standards for documentation of personnel expenses are met as described in 2 CFR §200.430 (i), Texas A&M utilizes after-the-fact certification via the Single Sign On Time and Effort System.

All Texas A&M employees involved in the administration and/or performance of sponsored projects are responsible for understanding the basic principles of allocating effort to sponsored projects. This will assure compliance and Texas A&M's right to accept sponsored funds.

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#### Definitions

Certification - The process whereby the principal investigator or other personnel devoting effort to sponsored activities attest, by approving the effort document, 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 – An optional process whereby a supervisor can require an employee to confirm the allocation of 100% of time worked during the period.

Cost Sharing - Office of Management & Budgets (OMB) defines *cost sharing* or *matching funds* as a portion of the project or program costs not borne by the sponsor, and therefore covered by some other source. Although the two terms are often used interchangeably, the term *matching* is actually a specific type of cost sharing, typically used when a sponsor requires the grantee to "match" the sponsor funding according to a specified ratio.

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.

Effort Document – The effort document contains 100% effort for an employee for the certification period. An employee can have multiple documents for a period if they work in a budgeted position and a wage position.

Institutional Base Salary (IBS) – The fixed monthly or hourly rate of pay that an employee receives for instruction, public service, research, and/or other activities, to include administrative stipends. 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.

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

Principal Investigator – This individual has been designated by the University and the sponsor as the responsible person for overall administrative, fiscal, scientific and technical direction and conduct of a sponsored project within the terms and conditions of the award and in accordance with University and System rules and regulations.

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.

Sponsored Funds – Funds provided by a sponsor to conduct a project or activity.

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.

Student Augmentation – Student augmentation describes a research activity where a faculty mentor is named as the principal investigator. This includes dissertation support, training grants, scholarships, and fellowships that serve to heighten the educational experience of the student.

Suitable Means of Verification – Documentation that must be uploaded to the Time and Effort System when an individual other than the Principal Investigator or supervisor certifies the effort document.

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 Texas A&M.

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## **Official Procedure/Responsibilities/Process**

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### **1. REPORTING REQUIREMENTS**

- 1.1 An effort document 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 PI eligible personnel or designated individuals 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 during the period is accurate. In exceptional circumstances when the faculty member is unable to certify the effort document (e.g., extended travel outside the country, termination of employment, leave of absence, etc.), the organization head, dean, or designee may certify on their behalf provided they have suitable means of verification that the work was performed.
- 1.3 Certification of effort will be based on after-the-fact effort documents meeting the standards of documentation as defined in 2 CFR §200.430 (i).
- 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 Certification will take place semi-annually.

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 The SSO time and effort system will be used for official confirmation and certification.

## 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 ensuring individuals reporting to their unit certify or initiate a correction within the required period.

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 Texas A&M principal investigators and other Texas A&M employees involved in the administration or performance of sponsored projects to assure that actual committed time and effort spent on sponsored projects is consistent with salaries charged to sponsored project accounts and/or cost sharing accounts.

## 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 overcommit themselves or others and must take into account the time required for instruction, public service, and other activities. Effort budgeted for an individual must not exceed their institutional base salary.

4.2 "Zero percent" effort or "as needed" is not an acceptable level of involvement for PI, Co-PI, or Co-I.

## **Related Statutes, Policies, or Requirements**

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[2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit for Federal Awards \(Uniform Guidance - UG\)](#)

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

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## **Contact Office**

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