



Policy Number and Chapter: 13.015 Research and Innovation

Policy Title: Effort Reporting

Policy Statement. This policy sets forth the requirements to ensure compliance with Federal regulations regarding accounting for and documenting personnel cost charges to sponsored awards.

The personnel charges to these awards must be based on records that accurately reflect the work performed. The Office of Management and Budget has issued “Uniform Guidance” (*OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR Part 200, et al*) which replaces the administrative, accounting, and audit rules and principles that were promulgated in the OMB Circulars, including A-21, A-110, and A-133.

The Uniform Guidance establishes the principles that colleges and universities must follow. These principles are used to determine the allowability of expenditures on federally sponsored program funds. The University of North Texas has chosen to require effort reporting for faculty, professional staff, and graduate students at least three times a year.

Application of Policy. This policy applies to all faculty, staff, graduate and undergraduate students engaged in sponsored project activities. Effort reporting is required of all individuals who are paid from a sponsored project or who commit a percentage of their effort as mandatory or voluntary committed cost sharing to a sponsored project.

Definitions.

1. **Certification.** “Certification of Effort” means that a confirmation of the work that has been performed. Each activity (e.g., sponsored project) is attributed a percentage of the effort during the reporting period that is reasonable in relation to 100% of total effort for all activities for which the individual is paid by UNT during the period and that the charge to each award is appropriate in relation to the work performed.
2. **Cost Sharing.** “Cost Sharing” means the portion of sponsored project cost that is not borne by the sponsor but is allocated to UNT. Cost sharing may involve cash and/or in-kind contributions, and may consist of institutional funds or funds from outside sources.
3. **Departmental Research.** “Departmental Research”, as defined in OMB Circular A- 21, Paragraph B.1.a.(2) as relocated to the Uniform Guidance, 2 CFR, Part 200, as revised or

superseded means research, development and scholarly activities that are not organized research and, consequently, are not separately budgeted and accounted for.

4. **Effort.** An individual's effort is defined as the total amount of time that they spend on any activity for which they are compensated by the University of North Texas. Effort is expressed as a percentage of an employee's total time spent on University activities. Effort typically include time spent on sponsored projects (whether directly charged or contributed as cost sharing), teaching and instruction, service, or other duties for UNT.
5. **Effort Report.** "Effort Report" means the after-the-fact activity report that documents and confirms the percentage of effort an employee has spent on each specific activity for which UNT compensates the employee.
6. **Institutional Base Salary (IBS).** "IBS" is defined as the annual compensation paid by the University based upon that individual's appointment, whether that individual's time is spent on research, instruction, administration, or other related activities.

IBS does not include:

- a. Bonuses, Task Payments, and incentive compensation
 - b. Summer supplemental pay for faculty with 9-month appointments
 - c. Supplemental compensation (e.g., augmentation) that may be issued for temporarily performing duties that fall outside of the duties and responsibilities associated with the current appointment
 - d. Overload teaching
 - e. Reimbursed expenditures
 - f. Any income earned by an employee outside of their UNT employment
7. **OMB Circular A-21.** "OMB Circular A-21" means United States Office of Management and Budget (OMB) Circular A-21, "Cost Principles for Educational Institutions," relocated to 2CFR, Part 200, as revised or superseded.
 8. **Principal Investigator (PI).** "Principal Investigator" or "PI" means a single individual who, in the event of an award from an external funding agency, shall have the full and final responsibility for the conduct of the project as proposed and as set forth in the award.
 9. **Significant Difference.** "Significant Difference" is a variance of 5% or more above or below an employee's effort given to a particular sponsored project or institutional activity. A significant variance requires that the effort report be revised to reflect the significant change in effort.

10. **Sponsor.** “Sponsor” means any external entity that provides funding to UNT for sponsored projects. Sponsors may be (i) governmental agencies (for example, federal, state, or local governments or their administrative organizations); (ii) nonprofit organizations (for example, universities, nonprofit corporations, foundations, or associations); (iii) for profit organizations (for example, corporations, partnerships, sole proprietorships, and other business entities); or (iv) individuals. Governmental, nonprofit, and for profit sponsors are sometimes referred to by themselves and others as “agencies”.
11. **Summer Salary.** “Summer Salary” is compensation to faculty for effort performed beyond their period of 9-month appointment. The basis for calculation of an individual faculty member’s summer salary that can be charged to a sponsored project is the regular compensation received during the period of appointment. As an example, for faculty on a 9-month (academic year) appointment, each month of summer compensation will be limited to and calculated at the rate of 1/9th of the salary for the academic year preceding the summer effort.

The summer effort reporting period should only include effort provided during the summer effort reporting period from June 1st thru August 31st. A manual effort report is the appropriate mechanism to make a correction that needs to be retroactively applied for the academic year. A faculty member with any academic, administrative, or other non-sponsored responsibilities during the summer, should not normally contribute more than 95% of their effort to sponsored projects.

12. **Total University Effort.** “Total University Effort” means all activity for which UNT compensates an individual with institutional base salary. Total university effort is not synonymous with full time employment (FTE). Total university effort is the cumulative number of hours spent each day to accomplish tasks associated with an individual’s appointment or job assignment for which the individual receives IBS. For example, a full-time regular work week of 40 hours may be represented by 100% FTE in the payroll system. However, effort is reported as a percentage of the total number of hours worked and total university effort represents the total number of hours actually worked that week. They could be more or less than the official 40 hours designated on the payroll system.

Activities included in total university effort	Activities excluded from total university effort
<ul style="list-style-type: none"> ● Instruction/university supported academic effort – including all teaching and training activities whether offered for credit or non-credit, student mentoring and advisement ● Sponsored project activities – includes activities such as research, research training, and public service. Also includes activities contributing and integrally related to work under a sponsored project award. Refer to the Expending Effort and Charging Effort to Sponsored Projects Section below, for specific activities that can be included as sponsored project activities. ● Departmental research– includes unfunded research effort, peer review of manuscripts and proposal preparation for competitive awards ● Organized research-Organized research includes all research and development activities of an institution that are separately budgeted and accounted for. It includes: 1) Sponsored research-s- all research and development activities that are sponsored by Federal and non-Federal agencies and organizations. This term includes activities involving the training of individuals in research techniques (commonly called research training) where such activities utilize the same facilities as other research and development activities and where such activities are not included in the instruction function. 2) University Research – all research and development activities that are separately budgeted and accounted for by the institution under an internal application of institutional funds. ● Administrative or university service– administrative assignments such as department Unit Administrator, institutional committees, advisory boards, other departmental or university activities ● Public service on behalf of UNT, including institutional community service ● Unpaid service to professional organizations or societies related to one’s field of work 	<ul style="list-style-type: none"> ● External consulting, and paid service on external boards and for other types of professional organizations when paid by someone other than UNT ● Volunteering as an individual for community or public service ● Special activities for which a one-time, extra payment is received ● Activities over and above an employee’s job requirements, such as overtime or faculty overload ● Incidental activities – non-routine, non-recurring activities that are not a routine part of an individual’s employment ● Other activities unrelated to an employee’s primary job with UNT

I. **Procedures and Responsibilities.**

A. **General Procedures:**

1. All individuals including, PI’s, College Research Officers (CRO’s), research administrators, colleges and departmental administrators who are involved in the entering and approving of personnel/payroll transactions on sponsored projects should review and be familiar with the policy and procedures related to effort reporting.

All researchers and others who are authorized to certify effort are required to complete the annual online effort training course prior to performing an effort certification.

B. Proposal Process:

2. The Principal Investigator (PI) is responsible for determining the appropriate effort committed on a sponsored project. They provide an initial estimate of the effort required to perform the scope of work in their proposal. The effort must reflect a reasonable estimate of the time that will be required to conduct the project. During the life of the project changes in the percentage of effort are made based upon the actual effort contributed during the current effort reporting period. Modifications to effort are processed through the payroll system and are also reflected on the effort report for that reporting period.
3. The PI should consider the minimal commitment appropriate for their level of effort along with other key personnel during the project. In accordance with this policy, effort can be increased during the academic year, the summer, or both. The minimum requirement does not apply to equipment grants and awards with a specific purpose such as travel or conference awards.

C. During the Life of the Project:

4. The PI is required to use the PeopleSoft effort certification process to certify the effort of all persons working on their sponsored projects, the PI is ultimately responsible for the accuracy of the certification. The certification is normally performed by the PI within the PeopleSoft certification process.
5. The effort expended on total institutional activities must not exceed 100%. Generally, most PI's and Co-PI's have responsibilities for teaching, committee work or public service that would preclude them from devoting 100% of their time to sponsored activities; exceptions to this include key research staff who do not have other responsibilities. The University normally requires that a faculty member commit not more than 95% effort on sponsored projects. In all cases, the faculty's 9-month salary rate cannot exceed his/her institutional base salary (IBS) rate on sponsored projects.
6. In situations where the effort of the faculty will either be charged or contributed (cost sharing) to sponsored activities and exceeds the approved amount of the college, the PI must gain approval of the Unit Administrator and/or dean to ensure that the total institutional activities do not exceed 100%.
7. Fulfillment of effort commitment for a sponsored project is measured over an entire budget period for a sponsored project, typically one year. During that period, an individual's level of devoted effort may vary. Variation is acceptable, as long as the individual fulfills the effort commitment for a sponsored project over the entire budget period. A one-year project budget period spans multiple effort expenditure periods and the individual is obligated to

charge salary to the project and to certify devoted effort consistent with actual effort within each effort expenditure period.

For example, an individual who has committed 30% effort to a federal-funded project during a calendar year budget period could fulfill that commitment by expending 40% effort during the first six months of the year and 20% during the second six months. Consequently, each effort report would show something other than 30% effort. It is not permissible to allocate salary at a constant 30% rate for the entire budget period, when actual effort is substantially greater during the first half of the budget period than the second half.

The principal investigator is responsible for being aware of variations of effort within each effort expenditure period in order to ensure that effort commitment is met over an entire sponsor project budget period.

8. Each university department has oversight responsibility to ensure that the faculty commitments are being reviewed and that faculty are advised to ensure that effort commitments are being met over the budget period.
9. Departmental administrators should assist the faculty in reviewing effort (e.g., in the approved budget and ePARs), salary and labor charges, as recorded in the accounting and payroll systems, on a regular basis and submitting documents to make changes or corrections if they are needed.
10. The PI is required to complete the effort certification within the 30 days certification period.

D. Summer Salary:

11. The number of months during the summer that a researcher can claim salary on a sponsored project may be limited by summer teaching assignments and also by individual funding agencies. The number of summer months charged should reflect the period the faculty member is actively contributing effort to a project.
12. Commitment of summer effort for all sponsored activities may be up to, but not more than, 95% assuming that the faculty member does not teach during the summer. Some agencies do not allow payment of salary for all three months during the summer (e.g., NSF). Faculty should check the sponsoring agency guidelines or contact their research administrator or GCA for assistance.

E. NIH Salary Cap:

13. For NIH awards, the salary rate charged to NIH awards cannot exceed the annual salary rate mandated by the annual NIH salary cap. The annualized salary rate of a faculty member is calculated by adding their Academic Year salary with three months of summer salary. The NIH salary cap is revised every calendar year and is available at:

Salary Cap Summary (FY 1990 - Present)

F. **Recertification of Effort:**

14. Once certification of an effort report has been completed, recertification is not normally allowed except in rare circumstances with the approval of the Vice President of Research and Innovation or the Assistant Vice President of the Office of Grants and Contracts Administration or their designee. If it is necessary to adjust salary charges for a previously certified effort period, documentation to reallocate must provide a detailed explanation of the need for salary adjustment and subsequent recertification and any cost transfer must be in accordance with UNT policies and procedures regarding cost transfers for sponsored projects. The PI is responsible for completing a recertification promptly after receiving notice that certification has been re-opened.

II. **Responsibilities**

1. Vice President of Research and Innovation in coordination with the Senior Vice President of Finance and Administration
 - a) Establishing and updating UNT's effort reporting policy.

Responsible Party: Vice President of Research and Innovation and the Senior Vice President of Finance and Administration

2. Deans, Associate Deans and Department Unit Administrators
 - a) Understanding and ensuring compliance with the University of North Texas effort reporting policy and procedures.
 - b) Providing oversight, effective processes, controls, and problem resolution.

Responsible Party: Deans; Associate Deans; and Department Unit Administrators

3. Grants and Contracts Administration (GCA)
 - a) Preparing, reviewing, and distributing effort confirmation reports three times a year for faculty, staff, and graduate students. Note: Undergraduate student effort is reflected on their hourly timesheet which is processed by Payroll and is not included in this process.
 - b) Providing online training on effort policies and procedures and for overseeing the effort reporting process.
 - c) Coordinating audits of Effort Reporting and/or providing supporting information to auditors or agencies as requested.

Responsible Party: Grants and Contracts Administration (GCA)

4. College Research Officers (CRO's) or Departmental Administrators

- a) Each university department has oversight responsibility to ensure that the faculty commitments are being reviewed and that faculty are advised to ensure that effort commitments are being met over the budget period.
- b) Reviewing effort (e.g., in the approved budget and ePARs), salary and labor charges, as recorded in the accounting and payroll systems, on a regular basis and submitting documents to make changes or corrections if they are needed.
- c) Each university department is also responsible for ensuring that the effort confirmations are reviewed, certified, and completed timely.

Responsible Party: College Research Officers (CRO's); Departmental Research Administrators (DRA's); or Departmental Administrators

5. Principal Investigators

- a) Ensuring compliance with this policy for his or her awards, including those awards where the Co-PI has a separate project ID set up for their part of the award or in other situations where the Co-PI has effort reporting responsibility.
- b) Meeting with their CRO/DRA or departmental administrator to review the project plan and the PI and Co-PI effort commitments. The labor/stipend charges in the ledgers should be reviewed and compared to the effort report. Any significant differences from actual effort require a labor distribution change to reflect the actual effort incurred during the period.
- c) Certifying his or her effort report in a timely fashion. The PI should ordinarily approve the effort reports for each person paid from or contributing effort to sponsored projects, including staff, graduate students, post-doctoral fellows, and undergraduates (hourly timesheets serve as an effort certification). If the PI is not able to approve the report online, a manual report may be created for the PI or in rare circumstances, a designated employee (such as a lab manager) who has a suitable means of verification that the work was performed, may approve the effort certification.

Responsible Party: Principal Investigator

III. **Failure to Comply**

Since failure to follow federal effort reporting rules could result in audit findings which include expenditure disallowances and penalties or fines levied against the University of North Texas, the University will take corrective action in the event that this policy and associated procedures are not followed, including, but not limited to, disciplinary action. In situations where a falsified Effort Report is certified, criminal charges may be brought.

To ensure compliance with effort reporting policy and procedures, UNT may suspend grant submissions from the involved individuals until the delinquent PI or Co-PI effort reports are

properly completed and certified, unless an exception for extenuating circumstances is approved by the Vice President for Research and Innovation.

Reports that are not certified by the scheduled effort reporting certification deadline will be considered overdue. Reports will be considered delinquent if not properly completed and certified within 30 business days from the date of the scheduled effort reporting certification deadline. During this 30-day period, GCA will endeavor to notify department Unit Administrators, deans, associate deans, and PIs about issues with effort reports that have not been timely or properly completed, certified, and returned to GCA within the reporting deadline.

Forms and Tools. The tables below display the effort reporting periods and the timeline for certifying effort.

UNT Effort Reporting Procedures Guide

Effort Reporting Period	Timeline
Fall	September 1 – December 31
Spring	January 1 – May 31
Summer	June 1 - August 31

Time Frame for Certifying (90 days)	Responsible Areas and Individuals
<i>Configuration – 30 days</i>	Grants and Contracts Administration Grants and Contracts Administration (GCA) has <u>30 days after the effort reporting period</u> to work with ITSS to bring payroll data into the effort reporting system and configure effort reports. GCA is addressing the system functions during this period. GCA is also responsible for auditing reports that are subject to salary caps and other salary limitations during this time period.
<i>Pre-Review Certification – 30 days</i>	The CRO/DRA/Dept Admin has <u>30 days to review</u> the effort reports in relation to the ledgers and the PI project plan in conjunction with the certifiers. GCA will send out an email notification to the CRO/DRA or Departmental Administrator when the forms are ready for pre-review. During this period, the PI should use this time to verify effort and update cost share contributions to projects.
<i>Certification – 30 days</i>	The PIs have this last <u>30 days to certify</u> the effort reports after which they will be considered delinquent.
<i>Recertification</i>	In rare circumstances, an effort report may be recertified after the initial certification with the appropriate approvals and sufficient back up documentation for the payroll reallocation justifying the recertification.

References and Cross-references.

UNT Policy 13.007 Sponsored Projects

UNT Policy 13.002, Award Management and Financial Administration of Sponsored Projects

UNT Policy 13.017 Cost Transfers for Sponsored Projects

UNT Policy 13.018 Cost Sharing for Sponsored Projects

CFR 200.430 Compensation-Personal Services (Formerly OMB Circular A-21, Cost Principles for Educational Institutions, Section J.10, Compensation for Personal Services)

Revision History

Policy Contact:	Chuck Tarantino
Approved Date	09/07/2020
Effective Date	09/07/2020
Last Revision:	