TEXAS TECH UNIVERSITY

Operating Policy and Procedure

OP 65.02:   **Effort Commitment and Certification**

DATE: November 4, 2016

PURPOSE: The purpose of this Operating Policy/Procedure (OP) is to outline institutional requirements for determining, managing, and certifying effort, to promote stewardship of extramural funds, and to ensure compliance with federal and state regulations.

REVIEW: This OP will be reviewed in November of even-numbered years by the Managing Director of Accounting Services and the Senior Associate Vice President for Research with substantive revisions forwarded to the Vice President for Research (VPR), the Assistant Vice President and Controller, the Vice President for Administration and Finance and Chief Financial Officer, and the Provost and Senior Vice President (PSVP).

1. **Policy Statement**

   It is the policy of Texas Tech University (TTU) that all faculty and staff comply with state (State of Texas Uniform Grant Management Standards) and federal regulations (Uniform Guidance Subpart E – Cost Principles Section 200.430) as well as institutional policies regarding proposing, charging, and certifying effort on sponsored project and cost share funds.

   Certifications are completed via the web-based Effort Certification and Reporting Technology (ECRT) system.

2. **Definitions**

   a. Certify – To attest authoritatively as being true; to confirm accuracy

   b. Commitment – Committed effort offered to a sponsor in the proposal documents over the life of an award that is specified and quantified and becomes a binding commitment upon execution of the award agreement.

   c. Cost Share – The portion of the total costs of a sponsored project that is paid by the university or a third party, rather than the sponsor

   d. Effort – The proportion of time spent on any activity expressed as a percentage of total professional duties

   e. Effort Coordinators – Individuals identified at the departmental level responsible for monitoring effort reports for their respective departments

   f. Labor Redistribution – After-the-fact transfer of salary and fringe benefit costs, for past pay periods, from one FOAP (fund/org/account/program) to another

g. Sponsored Project – Grant, contract, or cooperative agreement funds under which the university agreed to perform a certain scope of work, according to specified terms and conditions, and for specific budget monetary compensation (i.e., Banner funds beginning with 12D, 21, 22, and 23) and related committed cost share companion funds (xxM funds).

3. **Professional Duties**

Faculty and staff are appointed by the university to perform a set of duties encompassing all forms of academic work. The university does not specify the number of hours per week a faculty or staff member must work; rather, there is an expectation that the employee will work the hours necessary to carry out the professional responsibilities of the position. Faculty and staff should apportion their effort based on the composite of all activities performed as part of their university appointment.

Faculty and staff may engage in consulting for entities outside the university in accordance with OP 32.07. Effort expended on such consulting is in addition to university responsibilities and, therefore, excluded from total effort.

4. **Institutional Base Salary**

Institutional base salary (IBS) is defined in detail in OP 74.16. For employees on a nine-month appointment, regular summer appointments are part of IBS and included in effort certifications. These individual's rate of pay for summer work is based on the nine-month academic year salary rate.

5. **Committed Effort**

Levels of effort proposed in any sponsored project application should be consistent with the actual effort that each individual is expected to expend on the project during the relevant performance period(s). The amount of salary support requested normally should be determined by multiplying the proposed level of effort by the individual's IBS. In some cases, the amount of requested salary support may be less than this amount. In no event should the requested salary exceed the amount determined by multiplying the proposed level of effort by IBS.

a. Maximum Effort

The total of committed effort in awarded sponsored projects should never exceed 100 percent. In the event that committed effort exceeds 100 percent, effort on one or more projects must be reduced (as discussed below).

b. Changes in Commitment Level

Once TTU and the sponsor execute an award agreement, the PIs must provide the level of effort to which they have committed.

- A 25 percent or greater reduction in the level of committed effort for the PI must be approved prior to the change and in writing by the sponsor. It is not sufficient simply to communicate the change to the sponsor.

- An increase in effort greater than 25 percent for a PI should be reviewed to assess whether the scope of work for that project has changed and to assess possible impacts on

the individual's ability to meet commitments to other sponsored projects. Any change in the scope of work must be approved prior to the change and in writing by the sponsor.

PIs should contact the Office of Research Services (ORS) if significant changes in commitment are anticipated to ensure the change is approved by the agency, if required.

6. **Effort Training**

PIs, faculty appointed to sponsored projects, department chairs/directors, and deans must complete the online training program upon appointment and every three years thereafter. Effort coordinators must complete the classroom training sessions conducted by Accounting Services before he/she is granted access to the ECRT system.

The following notification procedures will be imposed for employees who have not completed training in accordance with this policy:

- Department chair/director - on or about 30 days after due date
- Dean - on or about 45 days after due date
- Vice President for Research (VPR) and the PSVP - on or about 60 days after due date

7. **Effort Certification**

a. Estimating Effort

It is recognized in an academic setting that teaching, research, service, and administration are often inextricably intertwined. A precise estimate is not always feasible, nor is it expected. Reliance, therefore, is placed on estimates in which a degree of tolerance is appropriate. TTU's acceptable variance is less than 5 percent of total effort. If a reasonable estimate of actual effort is within 5 percent of the effort shown on the statement (based on salary distributions), it is permissible to certify the level of effort that appears on the statement.

b. Distinguishing between Commitment, Salary, and Effort

Fulfillment of an effort commitment is measured over the performance period. During the course of the project an individual's level of devoted effort, and therefore salary charges, may vary. Since projects typically span multiple effort periods, the individual is obligated to charge salary to the project and to certify his/her effort in a manner that is consistent with actual effort. This variation is acceptable as long as the individual fulfills the overall commitment. It is not permissible to charge a constant salary rate over the performance period if it does not reflect true effort.

c. Individuals Who Must Certify

Each effort statement must be certified by a responsible person with suitable means of verification. TTU's policy is:

- PIs and faculty certify their own effort.
- PIs certify the effort of non-faculty and students who work on their projects.
- For students who work on multiple projects, each PI will certify effort on his/her own projects.

- For some large grants, the PI may not have suitable means of verifying the effort for all of his/her sponsored project staff, and the PI must identify an alternate certifier. Once identified, Accounting Services can establish the authorization for the alternate certifier within ECRT.

d. Certification for Personnel who leave the University

Departments should notify ORS and Accounting Services in advance when PIs leave the university. When notified, Accounting Services will make reasonable efforts to have the PI certify effort prior to departure. If the current effort performance period has not yet concluded, Accounting Services will prepare manual statements. In the event certification is not obtained prior to departure, the department chair/director must identify an alternative individual who has suitable means of verification.

e. Certification Timeline

Except for the ECRT transition period, effort for all employees must be certified on a semi-annual basis within 45 days of when the statement becomes available. Accounting Services will publish a calendar each certification period at www.depts.ttu.edu/ora with specific due dates. In general, the periods of performance and the corresponding certification windows are as follows:

Period of Performance	Pre-Certification Review Period	Certification Period
January 1 - June 30	July 1 – July 15	July 16 – August 31
July 1 – December 31	January 1 – January 15	January 16 – March 1

Reminder notifications will be sent to certifiers 15, 30, and 45 days into the certification period. Additionally, the department chair/director and the college dean will receive notification approximately at day 30 and day 45.

f. Consequences for Non-compliance

After 60 days, Accounting Services will provide to the VPR and the PSVP a list of faculty and staff who are not in compliance with training and/or certification requirements. The VPR and/or the PSVP may authorize any of the following actions to be taken:

- Sponsored project administration services will be withdrawn and not provided by the institution.
- ORS will suspend submission of new proposals or execution of award agreements on behalf of the faculty or staff.
- Accounting Services will deactivate current sponsored project funds.
- Further disciplinary actions may be taken in accordance with university policies.

g. Recertification of Effort

Once effort has been certified, subsequent labor redistributions to transfer salary charges among, to, or from sponsored project funds will be closely scrutinized by Accounting Services and must meet the university's cost transfer policy. If labor redistributions are approved, the effort statement must be re-certified. The PI will be required to provide justification for the cost transfer and the recertification of effort.

h. Falsification of Effort Certification

Any individual who knowingly falsifies an effort certification may be subject to disciplinary action in accordance with OP 32.04, Conduct of University Faculty.

8. **Roles and Responsibilities**

a. Principal Investigator

- Propose effort for sponsored projects in accordance with federal regulations and institutional policy
- Ensure effort devoted is commensurate with commitments to sponsors
- Certify effort in a timely and accurate manner
- Complete online effort training every three years
- Monitor salary charges and effort on a monthly basis
- Notify the effort coordinator in a timely manner of any necessary labor redistributions
- Identify individuals with suitable means for verification for terminated employees, if necessary
- Provide justification for recertification of effort statements

b. Department Effort Coordinator

- Communicate with PIs to ensure appointments are accurate
- Monitor payroll charges within ECRT to minimize labor redistributions
- Assist PIs with completing and justifying labor redistributions and/or requests for recertification
- Ensure labor redistributions are completed prior to the applicable certification period
- Complete effort and ECRT training
- Serve as the point of contact for PIs and certifiers

c. Office of Research Services

- Review proposal and award documents for appropriateness and correctness of effort and cost sharing commitments
- Work with PI to obtain sponsor approval for commitment level changes over the 25 percent threshold

d. Chairperson/Director and Dean

- Complete online effort training every three years
- Enforce provisions of this policy

e. Vice President for Research and Provost/Senior Vice President

- Enforce provisions of this policy
- Issue sanctions for noncompliance

f. Accounting Services

- Serve as the central point of contact for department effort coordinators

- Provide training to effort coordinators and research faculty on ECRT and effort reporting regulations
- Maintain and update institutional policies, procedures, and systems for effort certification
- Ensure ECRT produces effort statements that timely and accurately reflect payroll and cost sharing data from source systems
- Ensure effort statements are released, certified, and escalated according to the established timeline
- Review labor redistributions in a timely manner