OP 65.02: Effort Commitment and Certification

DATE: May 9, 2013

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 OMB Circular A-21, Principles for Determining Costs Applicable to Grants, Contracts, and Other Agreements with Educational Institutions, Section J.10.

REVIEW: This OP will be reviewed in April of odd-numbered years by the managing director of Sponsored Programs Accounting and Reporting (SPAR) and the senior associate vice president for research with substantive revisions forwarded to the vice president for research (VPR), 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 and federal regulations as well as institutional policies regarding proposing, charging, and certifying effort on sponsored project and cost share funds.

2. 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.

3. Institutional Base Salary

Institutional base salary (IBS) is the annual compensation paid by the university for all professional responsibilities of the position, including research, instruction, administration, service, or other institutional activities. IBS excludes fringe benefits, reimbursed expenses, and temporary supplemental compensation for incidental work. A complete list of IBS earnings is at http://www.depts.ttu.edu/hr/comnpnops/payplan.asp. For employees with less than full-time appointments, IBS will be calculated on a full-time-equivalent basis. In no event should IBS be increased as a result of replacing institutional salary funds with sponsored project funds.
4. **Summer Salary**

For employees on a nine-month appointment, total effort applies to the period during which the individual receives compensation from the university. Annually, this amounts to nine months plus any months for which the individual receives summary salary. An 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 Certification**

a. **Individuals who Must Certify**

All employees funded from sponsored projects and/or cost share funds must certify their effort via the web-based Effort Certification and Reporting Technology (ECRT) system.
b. Mandatory Training

PIs, faculty appointed to sponsored projects, department chairs/directors, and deans must complete the online training program every two years. Effort coordinators must complete the classroom training sessions conducted by SPAR 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

c. 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.

d. 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 the project spans 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.

e. Suitable Means of Verification

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, SPAR can establish the authorization for the alternate certifier within ECRT.
f. Certification for Personnel who leave the University

Departments should notify SPAR in advance when PIs leave the university. When notified, SPAR will make reasonable efforts to have the PI certify effort prior to departure. If the current effort performance period has not yet concluded, SPAR 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.

g. 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. SPAR will publish a calendar each certification period at www.depts.ttu.edu/spar with specific due dates. In general, the periods of performance and the corresponding certification windows are as follows:

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<thead>
<tr>
<th>Period of Performance</th>
<th>Pre-Certification Review Period</th>
<th>Certification Period</th>
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<tbody>
<tr>
<td>January 1 - June 30</td>
<td>July 1 – July 15</td>
<td>July 16 – August 31</td>
</tr>
<tr>
<td>July 1 – December 31</td>
<td>January 1 – January 15</td>
<td>January 16 – March 1</td>
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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.

h. Consequences for Non-compliance

After 45 days, SPAR 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 the following actions to be taken:

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

i. 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 SPAR 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.

j. 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.
7. Internal Evaluation

Circular A-21 requires that the system used for effort reporting (i.e., ECRT) be internally evaluated to ensure effectiveness and compliance. The Office of Audit Services will conduct regular audits of ECRT to ensure its continued effectiveness and compliance.

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 biennially
- 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. 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
- 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 biennially
- 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. Sponsored Programs Accounting and Reporting

- Serve as the central point of contact for 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

Attachment A: Definitions