

STANDARD ADMINISTRATIVE PROCEDURE

15.01.04.M0.01 Time and Effort Reporting

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Procedure Statement

In accordance with the policy established in 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.

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 (h), Texas A&M utilizes after-the-fact certification via the SSO 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.

Definitions

Certification - The process whereby the principal investigator or other key 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 – 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 of any sponsored agreement that is not provided by the sponsor. Cost sharing occurs whenever a member is required or has volunteered to participate in either Direct or Facilities and Administrative (F&A) costs of a sponsored agreement.

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

De minimis effort - Infrequent, irregular activity that would normally be considered "so small" that it cannot (and should not) be accounted for in the time and effort system. Activities can be considered de minimis in amount when, in the aggregate, they represent less than one percent of the individual’s total effort.

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 Texas A&M pays an employee 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.

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.

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.

Significant Change in Effort – Texas A&M defines a significant change of effort as an increase or decrease of 25% in the effort for individuals listed as key personnel in a proposed budget year.

Sponsor – The external organization that is providing funding for a sponsored project to Texas A&M.

Sponsored Funds – Funds provided by a sponsor to conduct a 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.

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.

Official Procedure/Responsibilities/Process

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 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 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 (h).

- 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 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 Texas A&M principal investigators and other Texas A&M 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 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. 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 Texas A&M). The budgeted salary and/or cost sharing for this best time estimate is calculated as follows: (IBS) x (proposed monthly level of effort) x (number of months) = amount budgeted in the proposal. For example: \$5,000 x 10% effort x 6 calendar months = \$3,000 budgeted salary.
- 4.2 “Zero percent” effort or “as needed” is not an acceptable level of involvement for key personnel. Texas A&M requires a commitment of effort based on the best estimate needed to complete the scope of work on part of 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 Texas A&M 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 Texas A&M activities during the pay period can be allocated to sponsored projects. Any individual engaged in administrative, teaching and/or 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 department business administrator(s) are responsible for making a good faith effort to charge sponsored projects based on the actual work performed as a percentage of total time.
- 5.2 If actual work performed varies significantly from the proposal budget, sponsor approval may be required. The principal investigator or key personnel should contact Sponsored Research Services when there is a significant change in effort.
- 5.3 An individual’s salary charged to a sponsored project cannot exceed their institutional base salary.

Related Statutes, Policies, or Requirements

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

Contact Office

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