Finance & Operations Policy FO-ORA-03
Effort Certification Policy

Sam Houston State University (SHSU) is required to comply with federal regulations regarding effort certification of individuals paid from or contributing to sponsored programs. Effort reporting is required of all individuals who are either paid from any sponsored projects (internally and externally funded projects) or who commit time as cost sharing to such sponsored projects. Individuals working as volunteers without compensation are exempt from effort certification requirements.

Salary and wages for sponsored research projects will be documented and based upon SHSU's general accounting practices. The payroll distribution system is used to reasonably estimate the activity for which the employee is compensated by SHSU; however, the Principle Investigator (PI) is responsible for certifying all time and effort related to grants. Effort certification reporting for sponsored projects will be maintained by the Office of Research Administration for all sponsored projects (internal and external) in accordance with Uniform Guidance.

Reviewed by:  TSUS (03/20/2013)
Cabinet (01/22/2013)
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Next Review:  As needed
PROCEDURES TO POLICY FO-ORA-03

Review and Effort Certification:

1. The federal government requires effort reports for Sam Houston State University (SHSU) employees who are compensated and have agreed to contribute time to a sponsored project.

2. The effort certification module displays time allotted to sponsored and non-sponsored activity based upon salary compensation. Principal Investigators (PI) or the designated proxy will review and certify both sponsored and non-sponsored effort.

3. The electronic certification method will act as the PIs signature acknowledging the accuracy of effort reports.

4. PIs or their designated proxy will be required to review and certify time for any SHSU employee compensated on their sponsored project and any non-sponsored activity shown ensuring that the time compensated is accurate.

5. PIs or their designated proxy will review and certify their own compensation acknowledging their compensation and time devoted to the project including any non-sponsored activity.

6. Effort certification reports should be reviewed and certified quarterly; however, if changes are necessary and before certification can take place, effort reports must be reviewed no later than a month after the academic semester (Fall, Spring, or Summer) has ended. For example, if an individual is compensated from September 30 thru December 31, the effort certification review and certification must be completed by January 31.

7. PIs or their designated proxy will review and certify effort reports in the effort reporting system based upon the system currently established by SHSU. This system has been established to conform to the payroll distribution system required by Uniform Guidance.

8. PIs or their designated proxy will be required to review each report for accuracy and should notify the Office of Research Administration of any discrepancies.

Distribution of Time:

1. Effort is defined as the proportion of time spent on any activity and expressed as a percentage of the total professional activity for which an employee is compensated by the university’s base salary. Total professional activity includes time devoted to the sponsored projects as well as University activities such as teaching, clinical practices, administration and other activities. Effort is not necessarily based on a standard workweek. The total time by the university's base salary constitutes 100% of a 1.0 Full Time Equivalent (FTE).
2. The effort reporting system will indicate an employee’s time devoted to a sponsored project and time devoted to non-sponsored activity not to exceed 100% total effort.

3. The percentage of an employee’s salary charged to a sponsored project cannot exceed the employee’s effort that is expended on the project during an effort reporting period.

4. Effort allotted to grants will be based on the sponsors initially approved budget and any revised budgets for the award.

Labor Redistribution:

Any labor redistributions that will affect an effort certification report must be accompanied by a corresponding change to the payroll system to correct the expense. The PI should request such changes and/or corrections. See Cost Transfer Policy and Procedures: Financial & Operations Policy FO-ORA-01 for further information.

Effort Certification Monitoring:

1. The effort reporting system will be maintained and monitored by the Office of Research Administration.

2. The Office of Research Administration will notify PIs or their designated proxy quarterly when it is time to certify compensated time.

3. Reminder and follow-up notifications will be sent as needed to all PIs or their designated proxy to certify all time allocated to their sponsored project, if no action has been taken to certify time.