13.2 Committed Effort

Policy Statement
The University of Georgia (UGA) and the University of Georgia Research Foundation (UGARF) must track and document the level of effort committed by key personnel described in an award. That effort is tracked by salary charges to the project, either direct to the award account or to a related cost share account.

Reason for policy
UGA and UGARF receive millions of dollars from the federal government and other sponsoring agencies in support of research and educational programs. Conditions, however, come with those funds. One of those conditions requires the University to maintain records regarding the amount of employee effort and compensation expense expended on individual sponsored projects.

The purpose of this policy is to assist University of Georgia personnel employed on external grants to comply with the OMB Uniform Guidance and sponsoring agency rules and regulations.

Procedures
The proportion of an individual’s total compensation charged to a sponsored project must be approximately equal to or less than the proportion of the individual’s total effort expended on the project. The amount of actual effort expended on a project usually cannot be reduced from the level of effort that was committed in the project proposal by more than 25% without awarding agency approval. Documenting compliance with the basic requirements is a four-stage process. The four different stages are:

1. Proposal

The commitment of effort begins with the proposal. Proposals, in most cases, must show the percentage of effort that the Principal Investigator and other Key Personnel intend to commit to the project.

When determining what effort to commit, the PI must consider not only the level of effort that will be necessary to complete the project work scope, but also the level of effort that will be necessary to complete his/her other University responsibilities, which would include other sponsored projects and non-sponsored research, and teaching, clinical, and administrative activities. The percentage of effort committed should normally be commensurate with the percentage of salary requested, except in cases where the awarding agency limits salary funding.

No one is allowed more than 100% effort. Effort should not be confused with the standard 40-hour work week as effort has nothing to do with hours worked. Effort is the percentage of your entire work activity devoted to a given task. Effort might be 40 hours for one person, 65 hours for another, or 100 hours or more for a third individual. Federal regulations define total effort as “whatever amount of time a person devotes to fulfilling his/her University responsibilities.” For example, if you worked 40 hours per week on a sponsored project, 5 hours on teaching activities, and 5 hours on administrative activities for a total of 50 hours, then your effort percentage distribution would be 80% sponsored project, 10% teaching and 10% administrative.

In this example, some individuals might reason that they could claim 100% effort against the sponsored project simply because they worked 40 hours on the project, but federal regulations prohibit that. Instead, the regulations require that the percentage of effort assigned to individual sponsored projects must be expressed as a percentage of the total effort necessary for one to fulfill all of one’s University responsibilities.
Effort commitments made to an awarding agency can be funded (charged to a restricted account) or unfunded (charged to a state or other account.) Unfunded commitments are University cost sharing expenses. The University must account for actual effort to document both funded and cost shared expenses. The University is not accountable to the awarding agency for the amount of any unfunded actual effort that exceeds the formal effort commitments.

At proposal time it is permissible to commit more than 100% to multiple proposals and across other UGA activities because one has no idea which proposals will be funded and which will not. However, awarded effort must not exceed 100% at any time, particularly when project periods overlap.

Sponsors often expect a PI to commit effort to a project. For those sponsors who require effort but don’t specify an amount, 5% or less (and typically no more than 3%) is the recommended “rule of thumb”.

Committed effort should be listed consistently throughout the proposal (i.e., in the budget, the budget justification, and on the current and pending support page).

2. Award negotiation and notification

The University and the awarding agency will often negotiate a revised budget if the project is to be funded. If the negotiated changes impact the effort commitments that were made in the original proposal, then the effort commitment changes should be formally communicated to the awarding agency, else you would be required to fulfill the commitment that was originally proposed. In these instances, OSP will assist you with those sponsor communications.

If during the life of the award, actual effort decreases significantly from the original or revised commitment, then a commensurate change must be made to the amount of salary expense charged to the award accounts. Principal investigators must communicate such changes to OSP. Also, most awarding agencies require the University to seek their prior approval if any individual identified as Key Personnel is planning to reduce actual effort by 25% or more from the effort levels that were committed in the project proposal or are planning an absence for a continuous period of 3 or more months.

3. Post award administration

There are three different accounting processes for salary expense associated with committed effort.

a. **Committed effort with commensurate salary funding**

Salary expense is charged to a University restricted account for the funded award. The percentage of salary charged to the account should be equal to the final percentage of effort committed.

b. **Committed effort without commensurate salary due to reasons other than the NIH salary caps**

Salary expense is charged to a University account created to record the committed cost sharing expenses of the award. In most cases the cost sharing account is a state account, but in some cases, such as NIH’s institutional training ("T") and career development ("K") awards, the cost sharing account can be another sponsored award account.

c. **Committed effort without commensurate salary funding due to NIH salary caps**

Salary expense is charged to a state account that is designated as cost share for the amount above the NIH salary cap.

4. Certification

Certification is done through UGA’s Personnel Activity Report (PAR) system, which enables confirmation that the percentage of effort an individual performed on a sponsored project was approximately equal to the percentage of the individual’s salary funded by the project or reported and accounted for as a committed cost sharing expense. Each
faculty member should certify his/her own PAR. The principal investigator is responsible for verifying effort for all key personnel on a given project unless he/she delegates this task to another individual, such as a Laboratory or Project Manager, who uses a suitable means of verification that effort was expended. For more information regarding PARs, please refer to the PAR Procedure located at:

**Personnel Activity Reports**

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**Policy definitions**

Principal Investigator (PI) – A qualified person or persons designated by an applicant institution to direct a sponsored project or program. This person usually writes the grant application. PIs oversee all scientific and technical aspects of a grant and provide the day-to-day management of the project.

Key Personnel – The PI and other individuals who contribute to the scientific development or execution of a project in a substantive, measurable way, whether or not they receive salaries or compensation under the grant. Typically these individuals have doctoral or other professional degrees, although individuals at the masters or baccalaureate level may be considered key personnel if their level of involvement meets this definition. Technicians and graduate or undergraduate students, as a rule, should not be listed as Key Personnel. Key Personnel are required to have biosketches in proposal applications, cannot be replaced on a funded project without permission from sponsor, and are required to submit PARs.

Personnel Activity Report (PAR) – The University-approved system to certify monthly effort by reflecting the distribution of activity expended by an individual on an after-the-fact basis. Each PAR will account for 100% of how you “spent your time” for the period covered using salary charge distributions.

Committed Effort - The amount or percentage of time a University employee has agreed to work on a specific sponsored project. It is *not necessarily* the actual effort expended each month, but a *projected* amount to be achieved over a period of time (for example, a semester or a year). This commitment is set at the time of the award. Mandatory Committed Effort is effort activity required by the sponsoring agency as a condition of making the award and committed by the Principal Investigator.

Voluntary Committed Effort is effort activity not required by the sponsoring agency but volunteered and committed by the Principal Investigator.

Effort reporting- the method of certifying that an individual was compensated based on their activity performed during the reported period. Effort reporting is performed by PARs as required by OMB Uniform Guidance.

Cost Sharing – That portion of effort committed to a sponsored project that is not charged directly to the award. This expense must be supported from a non-sponsored University account. For additional information regarding this topic, please refer to the University Cost Share policy at: [Cost Share](#)

**Responsibilities**

**Responsible University Senior Administrator:** Vice President for Finance & Administration

**Responsible University Administrator:** Associate Vice President & Controller

- **Policy Owner:** Post Award Accounting and Office for Sponsored Programs
- **Policy Contact:** Gail Chester
- **Phone Number:** 706-542-9230

**Responsibilities:**
Office for Sponsored Programs and Post Award Accounting staff should know this policy. Principal Investigators and
department administrators who submit proposals and manage sponsored programs should be knowledgeable about
this procedure.

Record Retention
This series provides a record of the establishment and administration of individually sponsored grant and contract
restricted funds accounts, documents compliance with fiscal reporting requirements, and includes billing information
for accounts receivable from sponsoring agencies and from departments for gift account fees. Grants may be federal,
state, corporate, or private. This series may include but is not limited to: project summaries; grant authorizations;
contract documents; project budget change and adjustment forms; invoices; receipts; cashier's receipts; equipment
purchase orders; prior approval request forms; account request forms; vendor telephone contact logs; subcontracts;
grants and contracts monthly budget summary statements; institution billings balance sheets; reports for grants and
contracts that are operating on direct payments; final financial reports; property reports; patent/invention reports;
contractor's release report; assignment of refunds and rebates documents; equipment disposition reports; and related
documentation and correspondence.

Record Copy: Institutional Archives; Post Award Accounting
Retention: Contracts, patents, and agreements for use of research outcomes: Permanent. All other accounting
records: 7 years after final financial report is submitted and the account is closed, unless otherwise specified as
longer by the terms of the contract

Citation or Reference: OMB Uniform Guidance; BOR Research Grant Records 0472-09-006

FAQs
1. If I make no commitment of effort on my proposed project, yet I am forced to put a percentage effort on the Current
and Pending Support form of the grant application, does this constitute cost share for this project?
No, current and pending support is not part of the budget and so does not meet the definition of cost sharing in 2 CFR
§ 215.23. For this reason we are no longer considering effort shown on the current and pending support section to be
voluntary committed cost sharing.


2. USDA specifically requires that a % of time be specified for all sponsored activities on their current pending and
support page regardless of the source of funds. For those awards made by other agencies where no commitments of
effort was specified as part of the agreement, is this uncommitted effort, reflected for other projects listed on the
USDA form, now required to be tracked and documented?
No, one sponsor cannot require a faculty member to commit effort on a different project not funded by their
agency. By documenting this effort on the current pending and support page only quantifies a voluntary,
noncommittal, relationship that does not require institutional tracking or monitoring.

3. For someone working on multiple sponsored projects, how should committed effort on a sponsored project be
documented if paid for by the University (cost shared)?
Effort on sponsored projects not compensated by an award but committed in the award is a financial responsibility of
the University. To fulfill this responsibility, a cost sharing account must be created when the award is established and
salaries charged to this account as effort is expended.

4. What happens when I commit an overall 40% effort to the project and request 2 months of summer salary?
If your total effort commitment for the project is 40% and two months (16.7%) salary is being paid by the grant, the
remaining effort (23.3%) would be considered cost share that would need to be performed across the academic year
and the remaining summer month.
5. If I worked on one or more sponsored projects and did not charge salary to any of them, do I need to certify this effort on a PAR form?
Certify only if effort was committed for an award. If you made no formal commitment of effort, then this effort would be uncommitted and is not required to be certified or reported towards that specific project. This effort is generally charged to departmental or general accounts (GH, GR, or GE), which by itself would not require a PAR certification. If in addition to the uncommitted effort this person requires a PAR due to other sponsored effort commitments, then the uncommitted effort would be certified through the salary charged to the departmental or general accounts.

6. What if my effort on a particular grant changes over time or is significantly different from committed effort?
Remember, committed effort spans the entire budget period. The PAR reflects actual effort during that budget period. Over the duration of this budget period, committed effort and actual effort should match. However, there could be a month in which no effort or even double effort is contributed to a project. Whenever committed effort and actual effort deviate by more than 25% of the original commitment, or an employee expends no effort on a project to which he/she has committed effort for periods greater than 3 months, the PI must obtain University (Department Head and OSP) and sponsor approval for this deviation and this change must formally be adjusted in the PAR system. This rule applies to the PI and all other key personnel.

7. When can I expend effort on grants related to summer salary?
Faculty receiving compensation for a 9-month academic appointment are permitted to devote summer effort on one or more sponsored projects in the period (June, July and August) beyond the academic year and receive additional salary for that effort, subject to sponsor and University policy. Faculty who receive summer salary from sponsored projects will be required to certify to the effort devoted during the summer effort reporting period. Effort expended during the academic year cannot be applied to the summer effort reporting period. Some sponsors, notably the National Science Foundation, limit to two (2) months the number of paid person months an investigator may work during the summer. Always review the terms and conditions of all awards prior to devoting summer effort.

8. Can I claim three months of summer compensation and still have other summer activities or vacation time?
No. If a 12-month academic year faculty member has administrative or other non-research responsibilities (including vacations) during the summer period, he/she is precluded from devoting 100% effort to sponsored projects, and thus from requesting 3 months of salary from a sponsored project. See #6 for constraints on 9-month faculty members.

9. If an award receives a no-cost extension, do the levels of effort committed in the proposal extend into the no-cost extension period?
If the request for a no-cost extension is made without an accompanying request to decrease the effort commitments made in the proposal, then the levels of effort committed in the proposal will extend into the no-cost extension period. A decrease in effort greater than 25% requires University (Department Head and OSP) and sponsoring agency approval.

10. What if an employee cannot certify because the effort percentages are too high?
The employee should contact the principal investigator or administrator and ask that a PAR adjustment be made to reduce the effort percentages. Once the adjustments are made, a revised PAR will be produced for his/her signature.

11. What should be considered as part of my University effort?
Your total University effort is made up of whatever research, teaching, clinical and administrative activities are necessary to fulfill your University responsibilities. Activities that generally should not be thought of as being part of your University responsibilities include: external consulting; serving on external boards, study sections, or national committees; community service; professional societies; and editorial and journal reviews.
12. Why can't faculty use a 40-hour week as a base for their sponsored project reporting and then consider the additional hours needed to fulfill their other University responsibilities (e.g., teaching and clinical activities) as time that they "volunteered" to the University? Aren't the sponsors getting what they paid for? There is no standard faculty work week. Faculty members--and other monthly salaried employees--are compensated not for a standard work week, but for the duties they are expected to perform under the terms of their employment. Sponsors are paying for a percentage of the faculty member's total University effort, whatever that may be.

13. Is it appropriate for non-faculty academic positions to have 100% sponsored project effort? Some spend time writing grant proposals, working with students and serving on University committees. If the grant proposal or student and committee work are not directly benefiting the sponsored project as a direct cost, then the effort and proportionate amount of salary should not be charged to the project.

Related information
Personnel Activity Reports
Cost Share
Application of Staff Benefits | Personnel Activity Reports (PARs)

Policy Dates
Effective Date: 06/17/2016
Date Last Updated: 06/17/2016
Date of Last Review:
Date of Approval:
Previous Version of Policy: