



7.1.3 Managing Effort Commitments and Documentation of Compensation on Sponsored Programs

Chapter 7 - Research and Sponsored Programs	Original Effective Date: January 2007
Section: 7.1 Office of Sponsored Programs	Date Last Reviewed: September 2022
Responsible Entity: Vice President and Chief Financial Officer	Date Last Revised: September 2022

I. Purpose

To establish requirements for accurate documentation of effort commitments and compensation to Sponsored Programs in accordance with both federal and non-federal requirements, with federal guidance outlined in the Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (OMB Uniform Guidance).

II. Scope

This policy applies to all individuals involved in Sponsored Program activities, particularly Principal Investigators and Project Directors.

III. Policy

It is the policy of UT Health San Antonio that effort committed by faculty to Sponsored Program activities be actively managed so that these effort commitments not only reasonably reflect the time devoted to each sponsored activity, but also allow the faculty member to fulfill their other institutional obligations. Charges to Sponsored Programs must be based on the institutional base salary and where appropriate, cannot exceed salary caps or other limitations imposed by extramural sponsor.

Primary Individuals must document the accuracy of percentages of time (i.e., effort) that is charged to sponsored projects. In addition, commitments of effort made to the sponsor in the funding proposal must also be documented.

A. Overview

1. When receiving support for a Sponsored Program, UT Health San Antonio must ensure an individual (usually a faculty member) who is primarily responsible for proposing, conducting, and/or reporting of such a program commits to and expends a certain level of effort on that program. Such effort commitments must

7.1.3 Managing Effort Commitments and Documentation of Compensation on Sponsored Programs

be actively managed by UT Health San Antonio and minimum and maximum levels of such effort must be established and followed.

2. Federal costing policies and the policies of individual granting agencies require that a Principal Investigator/Project Director (PI/PD) of a Sponsored Program devote some effort to the project. In addition, committed effort to all activities, including Sponsored Programs, cannot exceed 100% of the effort for which an individual is being compensated by UT Health San Antonio. For the purposes of this Policy, effort is measured in terms of percentage and not in terms of hours worked.
3. Documentation of Compensation (formerly effort certification) is a federal requirement as outlined in the Office of Management and Budget Uniform Administrative Requirements, *Cost Principles, and Audit Requirements for Federal Awards (OMB Uniform Guidance)*. As a condition of receiving federal funding, UT Health San Antonio must maintain a system for documenting salary compensation that provides reasonable assurance that the salary compensation charges are accurate, allowable, and properly allocated for employees compensated on federally sponsored projects.
4. In addition to federal sponsors, state agencies, private foundations, private organizations, and industry provide significant funding to enable UT Health San Antonio to conduct research, training, and public health projects. UT Health San Antonio's documentation of compensation reporting system assures these extramural sponsors that funds are properly expended for the salaries and wages of those individuals working on projects they sponsor. It provides the principal means for documenting that the salaries and wages charged to sponsored projects are consistent with the effort contributed. All employees involved in compensation documentation must understand that UT Health San Antonio could face severe penalties and funding disallowances should such documentation be inaccurate, incomplete, or untimely.
5. Finally, sponsors and auditors must be able to verify that effort expended in support of a project but not compensated by the project has been performed as promised; this effort is salary cost-sharing by UT Health San Antonio.

B. Minimum Levels of Effort Commitments

1. Each Primary Individual shall commit at least 1% effort to each sponsored project, in which they are responsible for proposing, conducting, or reporting the results of the program. Exceptions to the minimum level of effort requirement are awards for equipment and instrumentation grants, institutional training grants, and supplements to existing awards.
2. In the case of an institutional training grant, at the time of award effort commitments are required only of the Project Director and those faculties who are actually supervising individual trainees.

7.1.3 Managing Effort Commitments and Documentation of Compensation on Sponsored Programs

C. Maximum Levels of Effort Commitments and Compensation Appointments

1. The maximum level of total committed effort and compensation appointed to Sponsored Programs by a tenure or tenure-track faculty member is 95%; the maximum effort commitment level for non-tenure, not on tenure track research faculty is 98%. For those individuals who also have administrative appointments, such as departmental division chiefs, the faculty member's effort on Sponsored Programs cannot exceed 90%. For Deans, department Chairs, center Directors, and the like, the maximum level of effort committed to Sponsored Programs cannot exceed 80%.
2. Limited exceptions may be made for research faculty provided they meet certain tests and are approved by the Office of Sponsored Programs (OSP).
3. Individuals other than faculty are allowed to recover up to 100% of their compensation on Sponsored Programs only if such recovery is commensurate with their duties on the Sponsored Program(s) and that no duties outside of the Sponsored Program(s) are performed, including preparation of additional funding proposals, UT Health San Antonio committee appointments, or other services to UT Health San Antonio.

D. Effort Commitments at Time of Proposal

1. Prior to proposal submission to an extramural funding sponsor, or at the time of award in the case of awards made either in the absence of a final proposal or through a UT Health San Antonio funded Sponsored Program, the department Chair or appropriate administrative unit head must review and approve the effort commitments of each faculty member.
2. In the case of proposals where multiple faculty members from multiple departments are involved, the individual effort commitment must be reviewed and approved by the individual's department Chair or appropriate administrative unit head. Such review and approval are deemed to have been made and granted by the department Chair or administrative unit head on UT Health San Antonio Office of Sponsored Programs [Certificate of Proposal](#) (COP).

E. Effort Commitments and Compensation Appointments at Time of Award

At the time of award, it is the responsibility of the department Chair/Director or appropriate administrative personnel to ensure that total effort commitments and compensation appointments meet the requirements of this policy.

F. Total UT Health San Antonio Effort and Compensation

1. The federal government acknowledges that practices vary among and within institutions as to the activity constituting a full workload. Accordingly, UT Health San Antonio is permitted to express effort in terms of a percentage distribution of total institutional activities. Compensation documentation should reasonably

7.1.3 Managing Effort Commitments and Documentation of Compensation on Sponsored Programs

reflect the total activity for which an employee is compensated and include activities, such as administration, patient care, research, public health, and teaching that are often inextricably intermingled.

2. Total UT Health San Antonio effort includes only those activities for which an individual is being compensated by UT Health San Antonio. It includes all UT Health San Antonio related activities but does not include non-UT Health San Antonio effort.
3. Some UT Health San Antonio faculty and other employees may also be employed by the South Texas Veterans Health Care System (VA) under the terms of a Joint Appointment Memorandum of Understanding (MOU). UT Health San Antonio departments that have employees with VA appointments are responsible for ensuring that UT Health San Antonio complies with the terms of the agreement with the VA. UT Health San Antonio and the VA regard the two appointments as two separate jobs, with each compensating the individual for services applicable to its own activities. UT Health San Antonio's compensation documentation obligations apply only to the UT Health San Antonio activities. UT Health San Antonio is not required to, nor would it be appropriate to, include VA work in the UT Health San Antonio compensation documentation.

G. Individuals Required to Document Compensation

1. Compensation documentation is required of any individual who either receives compensation from or has committed effort to a Sponsored Program. Primary Individuals are responsible for documenting their own compensation. They are also responsible for the compensation documentation of all Supporting Individuals on the projects for which they are the PI/PD. Primary Individuals are not responsible for documenting compensation neither for other Primary Individuals nor on activities for others where they are not considered the PI/PD.
2. If an individual for whom compensation needs to be documented is not able to document their own compensation (e.g.; terminated employment, extended leave, or similar circumstances), the individual's supervisor, PI, co-investigator, or other person with suitable means of verification must document the compensation for the individual by proxy.

H. Frequency of Compensation Documentation

1. Semi-annual for the reporting periods September 1 through February 28, and March 1 through August 31 of each fiscal year.
2. Documentation of compensation must be made within thirty (30) business days of notification from the Office of Sponsored Programs that the compensation is ready for such documentation. For documentation that is not completed within the allowed time period, the Office of Sponsored Programs reserves the right to place a hold on the Primary Individual's sponsored project(s) so that no additional

7.1.3 Managing Effort Commitments and Documentation of Compensation on Sponsored Programs

expenses can be incurred until such time as the compensation documentation has been completed.

I. Compensation Documentation Procedures

UT Health San Antonio uses an online, web-based compensation documentation system. Procedures for compensation documentation as well as the electronic system itself, are available at <http://research.uthscsa.edu/osp/effort.shtml>.

J. Changes After Certification

Changes in compensation allocations after compensation documentation has been completed will only be made if the change is to remove effort and/or compensation charges that have been improperly made to the project.

K. Education Requirements

Those individuals who are designated departmental Effort Coordinators are required to complete a compensation documentation education program provided by the Office of Sponsored Programs.

L. Administration of Policy

1. The Vice President and Chief Financial Officer is responsible for institutional compliance with this policy.
2. Administration of the policy is the responsibility of the Office of Sponsored Programs.
3. Each UT Health San Antonio department or administrative unit has the primary responsibility to ensure compliance with this policy and shall name a departmental primary Effort Coordinator who will work with the Office of Sponsored Programs during the compensation documentation process.
4. In cases where compensation documentation does not support the compensation charged to a sponsored project, the Office of Sponsored Programs will move the compensation charged to an unrestricted non-grant project ID.

M. Sanctions for Non-Compliance

UT Health San Antonio has a legal obligation by federal regulations and by the terms and conditions of its sponsored awards to comply with all compensation documentation requirements. Failure to comply with the requirements of this policy and its accompanying procedures could result in the individual being subject to disciplinary sanctions up to and including termination. In addition, an individual who makes a false compensation documentation may be subject to criminal charges.

IV. Definitions

When used in this document with initial capital letter(s), the following words have the meaning set forth below unless a different meaning is required by context.

Committed Effort – the amount of time that an individual (Primary Individual) commits to a specific project and is identified in a proposal for funding. Committed effort may not always equal compensated effort. For those projects in which no effort is designated in a formal application, a minimum of 1% must be committed at the time of award. Committed effort must be made in whole percentages. For example, a commitment of 9.5% is not allowed. Instead, the commitment must be rounded up to the nearest whole number (10%).

Department Effort Coordinator – a primary Effort Coordinator is assigned for each department in which individuals are required to certify effort. This person is the only person who can process (finalize) the documentation of compensation after the individual has certified.

Effort – the proportion of time spent on any activity and expressed as a percentage of total institutional activities. Effort is not based on a 40-hour work week or any other standard work week for exempt employees. Payroll distributions describe the allocation of an employee's compensation whereas compensation documentation is the allocation of an employee's effort, including all cost share activities. Total effort for an employee must be reported in whole percentages and must equal 100%. The appointment serves as the basis for an individual's total institutional activities. In other words, for a 50% appointment, 100% effort is the 50% appointment.

Institutional Base Salary (IBS) – referred to as core compensation, as defined in the Institutional Faculty Compensation Plan, is the total guaranteed annual compensation an individual receives from UT Health San Antonio and represents the individual's time spent on research, teaching, patient care, and/or other activities. IBS does not include fringe benefits payments; reimbursed expenses; temporary supplemental compensation for individual work; income earned outside of duties to the institution; or any portion of compensation deemed to be at-risk. IBS does not include additional payments made for the temporary assumption of administrative duties but does include such additional payments when included as part of an individual's permanent, guaranteed annual compensation.

Primary Individual – a person listed as a Principal Investigator/Project Director (PI/PD), Co-Project Director (co-PI), Co-Investigator (co-I), or those with comparable responsibilities on a sponsored project. A Primary Individual typically, but not always, carries an academic (i.e., faculty) appointment.

Sponsored Program – involves a specific commitment of time and can be either: 1) a formal award, such as a contract, grant or cooperative agreement which is made to UT

7.1.3 Managing Effort Commitments and Documentation of Compensation on Sponsored Programs

Health San Antonio for research, training, public health, or other activity; or, 2) an internally funded project which is the result of a formal application and approved process and for which the activity is separately budgeted and accounted.

Supporting Individual – an employee who typically does not have an academic appointment and who has been compensated on a sponsored project.

V. Related References

For questions regarding this policy, contact the Office of Sponsored Programs (OSP) at grants@uthscsa.edu or 210-567-2340.

UT Health San Antonio

Handbook of Operating Policies (HOP), [Section 7.1.5 Cost Transfers To Restricted Fund Groups 41002-44999](#)

Office of Sponsored Programs, *Policies and Procedures for Sponsored Programs* [Manual](#)

Office of Management and Budget Uniform Administrative

Cost Principles, and Audit Requirements for Federal Awards ([OMB Uniform Guidance](#))

National Institutes of Health (NIH)

Policy and Compliance website, [Grants Policy Statement](#)

VI. Review and Approval History

- A. The approving authority of this policy is the University Executive Committee.
- B. The review frequency cycle is set for three years following the last review date, a time period that is not mandated by regulatory, accreditation, or other authority.

Effective Date	Action Taken	Approved By	Date Approved
01/2007	Policy Origination		
06/2011	Policy Revision		
09/2022	Policy Revision, discretionary edits	VP/CFO	08/04/22