Rice University Policy No. 304

Effort Reporting

I. General Policy

Rice University 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 (whether or not sponsored with federal funds) or who commit time as cost sharing to such sponsored projects. Individuals working as volunteers without compensation are exempt from effort reporting requirements.

Rice University has established an effort reporting policy and procedures to ensure that salaries and benefits charged to sponsored programs, or contributed as cost sharing, are reasonable, allocable, allowable, consistently treated, commensurate with effort expended and confirmed in a timely manner based on appropriate documentation.

Training is required for all first time Principal Investigators (PI) at Rice University and is a condition for being approved as a PI by the Vice Provost for Research. Training is also required of all staff who support PIs in the certification process. Training is strongly encouraged for all other PIs.

II. Roles and Responsibilities

The Vice President for Finance, together with the Vice Provost for Research, is responsible for establishing and updating Rice's effort reporting policy and procedures.

Deans, or their designees, are responsible for understanding and ensuring compliance with Rice University's effort reporting policy and procedures within their respective schools. This includes providing oversight, effective processes and controls and problem resolution.

Department administrators are responsible for reviewing effort, salary and labor charges, as recorded in accounting reports and on time allocation forms, on a regular basis and submitting documents to make changes or corrections if they are needed. Each university department has oversight responsibility to ensure that confirmations are complete, accurate, and timely.

Research and Cost Accounting (RCA) in the Controller's Office is responsible for preparing and distributing effort confirmation reports twice a year, for faculty and staff, and annually for graduate students. RCA is also responsible for providing training on effort certification policies and procedures and for overseeing the effort reporting process.
Each Principle Investigator (PI) is responsible for ensuring compliance with this policy for his or her
awards, including awards on which the PI serves as a Co-PI. The PI is responsible for certifying his or her
effort report in a timely fashion. The PI should ordinarily approve the effort confirmation form for each
person paid from or contributing to sponsored projects, including staff, graduate students, undergraduates
and post-doctoral fellows. If the PI is not able to approve the effort confirmation in a timely manner, a
designated employee who has a suitable means of verification that the work was performed may approve.

III. Elaboration of Policy

The Office of Management and Budget (OMB) Uniform Guidance (2 CFR Part 200), Administrative
Requirements, Cost Principles, and Audit Requirements for Federal Awards, establishes the principles
that colleges and universities must follow for expenditures of federally sponsored program funds and
offers several acceptable alternatives for effort reporting. Rice University has chosen to require effort
reporting for faculty and professional research staff no less frequently than every six months. In addition,
the university requires an annual certification that graduate student payments for services performed,
including charges to sponsored agreements, are reasonable in relation to the work performed by the
student.

The federal government acknowledges that effort reporting is not a precise exercise. OMB Uniform
Guidance Section 200.430 on compensation for personal services states: "It is recognized that teaching,
research, service, and administration are often inextricably intermingled in an academic setting. When
recording salaries and wages charged to Federal awards for [Institutions of Higher Education], a precise
assessment of factors that contribute to costs is therefore not always feasible, nor is it expected."

Confirmation of effort means that: the work has been performed; the percentage of effort attributed to
activity on each sponsored program during the reporting period is reasonable in relation to 100% of total
effort for all activities for which the individual is paid by Rice during the period; and the charge to each
award is appropriate in relation to the work performed.

"Total effort" is defined as all professional activity for which the University employs an individual,
whether on a full-time or part-time basis, including students who are working as teaching or research
assistants. For reporting purposes, effort is calculated in percentages, not hours, with the total of all Rice
effort equaling 100%. For faculty, total effort includes, but is not limited to, teaching, office hours,
student advising, research activities, committee service, departmental meetings, professional development
and community service at Rice or for Rice. Outside activities that are not a routine part of an individual's
Rice University employment and are compensated separately, are excluded from the “total effort"
calculation for the purposes of effort reporting (however these activities must still adhere to Rice
University policies on conflicts of commitment and disclosure (See Policy 217 Conflicts of Commitment and Outside Activities and Policy 218, Disclosure and Conflict Management).

If actual effort applied during a project period is significantly less than what was committed in the award, approval of the reduction in effort may be required from the sponsor or awarding agency. For instance, Section 200.308, OMB Uniform Guidance states that recipients are required to report deviations from budget and program plans, and request prior approvals for budget and program plan revisions, if there is a "disengagement from the project for more than three months, or a 25 percent reduction in time devoted to the project, by the approved project director or principal investigator."

IV. Failure to Comply

Since failure to follow federal effort reporting rules could result in expenditure disallowances and penalties or fines levied against Rice University, the University will take corrective action in the event that this policy and associated procedures are not followed. Additionally, any person found in violation of this policy may be subject to disciplinary action. This includes the submission of inaccurate or incomplete effort reports. To ensure compliance with effort reporting policy and procedures, Rice will suspend grant submissions from the involved individuals until delinquent or incomplete PI effort reports are properly completed and certified, unless an exception for extenuating circumstances is approved by both the Vice Provost for Research and the Vice President for Finance.

Reports that are not properly completed, certified and returned to RCA by the scheduled effort reporting deadline will be considered overdue. Reports will be considered delinquent if not properly completed and certified within 30 business days from the date of the scheduled effort reporting deadline.

V. Responsible Official and Key Offices to Contact Regarding the Policy and its Implementation

Responsible Official: VP Finance
Other Key Offices: Controller’s Office

VI. Cross References to Related Policies

Policy 216, Conflicts of Interest
Policy 217, Conflict of Commitments and Outside Activities
Policy 218, Disclosure and Conflict Management

VII. Procedures and Forms
Additional information about effort reporting procedures, including training instructions, and links to federal requirements are available from the Research and Cost Accounting website at https://controller.rice.edu/rca-effort-reporting

Signed David W. Leebron
President

Policy History
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