

4.112 Grants and Cooperative Agreements

4.1121 The Public Health Service ("PHS") and the National Science Foundation ("NSF") have regulations promoting objectivity in research by requiring that a university applying for grants or cooperative agreements for research insure that there is no reasonable expectation that the design, conduct and reporting of the research to be funded pursuant to the application will be biased by any significant financial interest of an Investigator responsible therefore. For purposes of complying with these regulations, and to maintain a research environment that promotes faithful attention to high ethical standards, The University promulgated a policy relating to conflicts of interest to be administered in conjunction with Texas laws setting forth standards of conduct (Texas Government Code, Chapter 572) and the Code of Ethics of The University of Texas System (Series 30104 of the Regents' Rules and Regulations). <http://aa.utpb.edu/media/files/2-2%5B7%5D.pdf>

4.12 Effort Certification

The University will comply with all federal guidelines and regulations regarding Effort Certification. Detailed procedures shall be in place to ensure that salaries and wages charged to sponsored projects are allocable, allowable, and reasonable.

4.121 Definitions:

1. **Cost Sharing or Matching** is the mandatory or voluntary commitment of resources from the university contained in the application of a proposal receiving an award.
2. **Effort** is the amount of time spent on any activity which is expressed as a percentage of of total university time commitment for which an individual is paid and includes: (i)

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contracts and grants/sponsored projects, (ii) instruction and non-sponsored research, (iii) administrative duties, (iv) other activities or responsibilities.

Effort certification does not include: (i) outside consulting, (2) stipend payments, and is not calculated on a 40-hour workweek or any other standard workweek, and total effort must equal 100%.

3. **Effort Certification** is a means to verify the allocation of an individual's time expressed as a percentage of total University activities.
4. **Committed Effort** is the amount of Effort in a proposal accepted by the funding agency regardless of whether salary support is requested in the support of Effort.
5. **Primary Individual** is a person listed as principal investigator, project director, co-investigator, co-project director, or those with comparable responsibilities on a sponsored project application.
6. **Supporting Individual** is an employee other than a primary individual who has expended effort on a sponsored program. The supporting individual may or may not have been identified on the funded application and typically does not have committed effort greater than the amount paid on a specific sponsored program.
7. **Sponsored Programs** involve a specific commitment of time and can be either: 1) externally funded activities in which a formal written agreement, such as a cooperative agreement, contract, or grant is entered into by a UT institution and by a sponsor for research, training, and other public service activities; or 2) internally funded for which the activities are separately budgeted and accounted for by the UT institution as a result of a formal application and approval process within a UT institution. For externally funded programs, the commitment of time can either be paid or unpaid by the sponsor. A sponsored program may be thought of as a transaction in which there is a specified statement of work with a related, reciprocal transfer of something of value.

4.122 Policy Statement

Effort certification policy is prescribed by The University of Texas System in the UT System Policy Library – Policy #UTS163, *Guidance on Effort Reporting Policies*, adopted by the UT System Board of Regents July 1, 2006. It establishes guidelines in compliance with the Federal Office of Management and Budget (OMB) Circular A-21, *Cost Principles for Educational Institutions*. General requirements and provisions of UTS163 are located at <http://www.utsystem.edu/policy/ov/ut163.htm>.

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The policy applies to the following University personnel:

4.1221 All administrators, faculty, and staff whose compensation is charged in whole to or in part to an externally or internally sponsored project of any type, including non-federal sponsors, and/or who provide cost-shared effort to a sponsored project.

4.1222 All administrators, such as chairs, deans, or directors, responsible for reviewing and approving effort commitments and certifications.

4.123 Effort Commitment

Effort commitment by university personnel to sponsored projects shall be actively managed through the ECRT management system so that these effort commitments not only accurately reflect the time devoted to each one but also allow the personnel to fulfill other institutional obligations. Commitments of effort made to the sponsor in the funding proposal must be approved in advance. Charges to sponsored projects must be based on the institutional base salary and should not exceed salary caps or other limitations imposed by sponsors.

4.1231 Personnel with effort commitment to sponsored projects shall receive educational training to be provided by the institution.

4.1232 Personnel shall certify the accuracy of the percentage of effort that is charged to sponsored projects. For these purposes effort is measured in terms of percentages and not in terms of hours worked. An individual's total effort must equal and may not exceed 100%.

4.1233 Reasonable effort commitments for primary individuals shall be predicted on project proposals. They are to be approved by the appropriate administrator responsible for the commitment, such as chair, dean, or director, prior to submission of the proposal to the Office of Graduate Studies and Research and subsequently to the sponsoring agency. These commitments are to be approved again by the same parties at the time awards are accepted by the University or changes are made in primary individuals. The primary individuals must complete the institution's educational training on effort commitment before undertaking the responsibilities of externally or internally funded projects.

4.1234 The minimum acceptable effort that primary individuals must commit is 5% effort on each sponsored project in which they are involved over the period in which effort is devoted. Exceptions may be requested for certain types of grants, such as for

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equipment, instrumentation, or doctoral dissertation grants, and for some job categories, such as department heads. Effort must be measured in whole numbers and generally in increments of 5%. The objective is to determine realistic and reasonable commitments of effort.

4.1235 Commitment of the maximum of 100% effort on a sponsored project is rare and permissible only for an individual whose institutional effort relates exclusively to that project. Primary individuals are likely to be performing other institutional activities whose costs are not allowable for that project. Examples of such not directly related activities may include teaching and advising duties, conducting other research, seeking additional grants, serving in the department or on committees, and attending other professional meetings. Therefore, nearly all primary individuals and most support staff on a sponsored project will ultimately certify levels of project-related effort at something less than 100%. Some institutions limit maximum effort of primary individuals to 95% and restrict individuals with administrative duties not to exceed 80% effort.

4.1236 A primary individual with a nine-month appointment for the fiscal year and who has committed effort on a sponsored program may be allowed a 100% appointment during the summer; however, care should be exercised to ensure the primary individual does not perform other activities during the period whose costs are not allowable

4.1237 Grant funds may not replace UTPB funds to increase an individual's institutional base salary (IBS). As defined by the NIH and generally used throughout the Federal system, IBS is the guaranteed annual compensation paid by an organization for an employee's appointment, whether the time is spent on research, teaching, patient care, or other activities. IBS excludes income that an organization permits to be earned by outside duties, fringe benefit payments, reimbursed expenses, temporary supplemental pay for incidental work, and any portion of compensation deemed to be at risk. Replacing organizational salary funds with grant funds may not increase IBS. Salaries for nine-month appointment periods are annualized to twelve months to determine institutional base salary. The Office of Human Resources is responsible for the processing of salary and wages.

4.124 Cost Sharing

Cost sharing establishes the responsibilities and procedures for compliance in effort commitment and certification as required by OMB Circulars A-21 A-110 and UT System UTS 163.

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4.1241 Cost sharing, often used synonymous with matching, is the mandatory or volunteer commitment of institutional resources contained in the proposal or award. When it is mandatory, it becomes a binding commitment on the institution. Any employee's effort expended on this commitment must be accounted for. A salary-cap cost share results when an individual's institutional base salary exceeds the sponsor's limits, and it must be funded by an appropriate and allowable amount. Every mandatory cost share must be included in the facilities and administrative (indirect cost) rate proposal.

4.1242 Volunteer committed cost sharing is effort proposed that was not required by but was in excess of effort paid by the sponsor. It becomes mandatory when the grant is awarded. This situation should be avoided. Voluntary uncommitted cost sharing is effort expended beyond what the grant required. It does not become mandatory and is not required to be considered in indirect cost. Cost sharing commitments may not be met from any other federally assisted project, except under limited conditions. Management of cost sharing requires designated accounts that track and pay specific commitment in effort and costs.

4.1243 Effort commitments used as mandatory or voluntary committed cost sharing must only be used once and not be used against multiple sponsored programs.

4.1244 Mandatory and voluntary committed cost sharing contained in proposals are part of the review and approval process by the primary individual's supervisor in the management of effort commitments. The president may approve an alternative oversight mechanism that adequately and effectively monitors the approval process.

4.1245 A pre-award process in place through the Office of Graduate Studies and Research to review cost sharing proposals. The Office of Accounting has a post-award process in place to identify, monitor, and track all mandatory and voluntary committed cost sharing covered by this policy. This verifies that cost sharing amounts remain available and are appropriate, especially when an awarded budget is less than the proposed budget.

4.1246 An annual report shall be completed by the Office of Accounting for use by the University's administration and to provide the information necessary to reclassify cost sharing to the appropriate direct cost base in the facilities and administrative (indirect costs) rate proposal.

4.125 Cost Transfers

The purpose of this policy concerning cost transfers is to establish responsibilities and procedures for compliance in effort commitment and certification as required by OMB Circulars A-21 and A-110 and UT System UTS 163. All transfers must conform to the terms of the grant and the granting agency regulations.

4.1251 Cost transfers related to effort commitment are transfers to or from a sponsored account of a charge that was previously recorded to another account or funding source. They are closely restricted and monitored and no one entity can initiate, approve, or post transfers. Adequate documentation for the necessity must be provided and cost transfers are NOT allowed after effort certification or program closeout unless benefiting the sponsor.

4.1252 All cost transfers must occur timely. Cost transfers occurring after 90 days of the original transaction and exceeding five percent of the annual award must be approved by the appropriate vice president and Vice President of Business Affairs.

4.1253 Cost transfer adjustments do not create disallowances if they comply with federal directives, but they may not be used for convenience or avoidance of policy: “Any costs allocable to a particular sponsored agreement may not be shifted to other sponsored agreements in order to meet deficiencies caused by overruns or other funding considerations, to avoid restrictions imposed by law or terms of the sponsored agreement, or for other reasons of convenience” (OMB Circular A-21, section c.4b).

4.1254 The Office of Accounting should track all cost transfers or numbers of them and individuals or departments with excessive amounts shall receive institutional training to address the root cause(s) of the cost transfers.

4.13 Academic Integrity in Scholarship and Research

The University of Texas of the Permian Basin is committed to supporting and promoting scholarship and research by its community members which adheres at all times to high ethical standards of honesty and integrity. It is expected that faculty and research personnel avoid misconduct in scholarly and science research, and avoid conflicts of interest at all times. It is further expected that all employees and individuals associated with the University report observed, suspected, or apparent misconduct in scholarly and science research.