BUSINESS AND FINANCE DEPARTMENT
Grants Accounting

Effective Date: 8/1/2026

TIME AND EFFORT REPORTING FOR SPONSORED AWARDS POLICY

Policy Number	556-01
Approval Authority	Chief Financial Officer
Responsible Administrator	Controller
Responsible Office	Business and Finance
Policy Contact	Director of Grants Accounting

1.0 POLICY STATEMENT

Tennessee State University requires salary and wage costs charged to sponsored awards or University cost share commitments to be supported by timely, accurate, and complete time and effort reporting. Time and effort reports must reasonably reflect the work performed, support the allocation of compensation across applicable activities or cost objectives, and be reviewed, certified, and retained in accordance with established University procedures.

This policy applies to employees whose compensation is charged, in whole or in part, to sponsored awards or University cost share commitments. This includes federal, state, local, private, and other externally sponsored awards, including federal flow-through or pass-through awards.

2.0 IMPORTANCE AND REASON FOR THE POLICY

Time and effort reporting is necessary to demonstrate that salary and wage costs charged to sponsored awards are accurate, allowable, properly allocated, and adequately documented. Federal requirements require compensation charged to sponsored awards to be supported by records that accurately reflect the work performed and by internal controls that provide reasonable assurance over those charges.

Accurate and timely time and effort reporting supports sponsored award management, financial oversight, audit readiness, and compliance with federal, sponsor, and University requirements. Failure to maintain complete and accurate time and effort records may result in questioned costs,

disallowed charges, repayment obligations, audit findings, corrective actions, or other administrative consequences.

3.0 DEFINITIONS

Cost Objective - A specific award, project, activity, function, or other work unit for which costs are accumulated and reported. For time and effort reporting, cost objectives may include sponsored awards, cost share commitments, instruction, administration, service, or other University activities.

Cost Share - The portion of project costs not paid by the sponsor but committed or contributed by the University or another allowable source. Cost share effort must be documented and certified in the same manner as effort charged directly to a sponsored award.

Effort - The portion of an employee's total University work devoted to a particular sponsored award, cost share commitment, or other University activity during a reporting period. Total effort must equal 100% of the employee's compensated University effort for the applicable period.

Effort Certification - The process by which an employee, Principal Investigator, or other responsible official confirms that the effort reported reasonably reflects the work performed during the applicable reporting period.

Fund Code - The accounting code used to identify the source of funding associated with a sponsored award, cost share commitment, or other University activity.

Institutional Base Salary - The annual compensation paid by the University for an employee's University responsibilities, whether the time is spent on research, instruction, administration, service, or other institutional activities. Institutional Base Salary does not include payments outside the employee's University appointment unless specifically included under University policy.

Principal Investigator - The individual responsible for the technical, programmatic, financial, and administrative oversight of a sponsored award. The Principal Investigator is responsible for ensuring that effort charged or committed to a sponsored award is reasonable, accurate, and consistent with the work performed.

Salary Cap - A limitation imposed by a sponsor on the salary rate that may be charged to an award. When a salary cap applies, effort must still be certified based on the actual work performed and the committed effort devoted to the project, regardless of the amount of salary that may be charged to the award.

Salary Redistribution - An accounting adjustment used to transfer salary and wage costs from one funding source, award, project, or activity to another when payroll distribution does not reasonably reflect the actual effort performed.

Sponsored Award - A grant, contract, cooperative agreement, or other externally funded agreement awarded to the University to support research, instruction, training, public service, or

other sponsored activity. Sponsored awards may be funded by federal, state, local, private, or other external sponsors, and include federal flow-through or pass-through awards.

Time and Effort Report - A record used to document and certify the distribution of an employee's compensated effort across sponsored awards, cost share commitments, and other University activities during a specific reporting period.

4.0 PROCEDURES

I. Required Information

All effort reports, certifications, and supporting documentation for employees whose compensation is charged in whole or in part to sponsored awards or University cost share must include sufficient information to support the effort being certified. At a minimum, effort reports, certifications, and supporting documentation must include the following:

a. The appropriate fund code or codes associated with the sponsored award;
b. Award number, grant number, or other award identification;
c. Project title or sponsor name;
d. Percentage or distribution of effort allocated to each funding source;
e. Description of the work performed, with sufficient detail to support that the certified effort was appropriate, substantive, and aligned with the approved scope of work;
f. Certification statement confirming that the report reasonably reflects the work performed during the reporting period; and
g. Employee, certifier, or responsible official certification, including electronic or written signature and date.

The Director of Grants Accounting, or designee, will perform periodic risk-based reviews of submitted effort certifications to verify that required information has been included and that certifications are completed in accordance with this policy. Certifications selected for review that are incomplete or missing required information will be returned for correction. Sample selection, review results, and any required follow-up will be documented and retained.

II. Effort Certification Requirements

All employees whose compensation is charged in whole or in part to a sponsored award or University cost share are required to certify effort as part of the University's effort certification process. This requirement includes, but is not limited to, temporary instructors, graduate assistants, and temporary professional employees.
Effective July 1, 2026, effort certifications will be required monthly. Certifiers will have 15 days after the payroll period to certify their record. Retroactive payroll reallocations without documented justification and approval will be limited/prohibited.

Grants Accounting will prepare and distribute effort certification instructions to the applicable departments and activities for which effort certification is required. Effort certifications must be reviewed, completed, certified, and submitted by the required deadline in accordance with University procedures. The status of effort certifications will be monitored during each reporting cycle, and follow-up actions related to incomplete, late, or delinquent certifications will be documented.

Effort certifications will be generated for employees whose compensation was charged, in whole or in part, to a sponsored award or cost share commitment during the applicable reporting period. The certification form will include payroll distribution information for sponsored awards and other University activities. Payroll distribution percentages are provided as a reference point only and do not, by themselves, represent certified effort.

The Certifier is responsible for reviewing the payroll distribution information and determining whether it reasonably reflects the employee's actual effort performed during the reporting period. Effort must be certified based on the work actually performed, not based on budget availability, remaining award balances, or funding preferences.

Effort reports must be certified by the employee or a responsible supervisory official with firsthand knowledge of the work performed during the applicable reporting period.

If the employee and Principal Investigator is absent for an extended period or otherwise unavailable to certify, a designee may certify only when authorized in accordance with University procedures and only if the designee has firsthand knowledge of the project or suitable documented means of verifying the work performed.

Certified effort must include all activities for which the employee is compensated through Institutional Base Salary and, when applicable, summer compensation. Total certified effort must equal 100% of the employee's compensated University effort for the reporting period, regardless of whether the employee is full-time or part-time. Effort distributions may be based on reasonable estimates; however, those estimates must reasonably reflect the actual work performed during the applicable reporting period.

Because faculty members generally perform a combination of sponsored and non-sponsored activities, including teaching, research, service, administrative duties, and other institutional responsibilities, 100% of a faculty member's effort or salary should not normally be charged to sponsored awards unless the facts and circumstances clearly support the allocation.

III. Review, Corrections, and Salary Redistributions

If the payroll distribution reasonably reflects actual effort, the certifier must enter or confirm the actual effort percentages and submit the certification in accordance with University procedures.

If the payroll distribution does not reasonably reflect actual effort, the certifier must request correction before submission. When a salary adjustment is required, the responsible department must submit an approved Personnel Action Request Form and Salary Redistribution Request Form to Grants Accounting.

If an employee's certified effort differs significantly from the salary distribution recorded in the accounting system, generally for budget overruns, the accounting records must be adjusted to reflect the actual effort performed. Grants Accounting will coordinate with the appropriate department personnel to ensure labor costs are transferred to the correct Fund, Organization, Account, and Program (FOAP), and that any required budget revisions are completed.

Any reduction in committed effort or any other reduction requiring sponsor approval under the terms of the award, must receive prior sponsor approval before the change is implemented.

Once effort has been certified, subsequent adjustments to related labor costs will be permitted only in extenuating circumstances. Any adjustment after certification must include a detailed written explanation and justification, along with an approved Personnel Action Request Form and Salary Redistribution Request Form. Changes made after effort has been certified may also require recertification. Cost transfers must comply with the University's applicable cost transfer policy.

When recertification is required, the recertification must be completed within 21 calendar days after notification by Grants Accounting, unless an alternate deadline is approved by the Director of Grants Accounting or designee. Recertifications should be limited because frequent recertifications may indicate weaknesses in payroll distribution monitoring, effort review, or other internal controls.

When a sponsor imposes a salary cap, salary charged to the award must not exceed the allowable capped amount. The employee must nevertheless devote and certify the full committed effort required by the award. Any salary above the allowable sponsor reimbursement must be charged to an appropriate non-sponsored or unrestricted funding source in accordance with University procedures.

IV. Responsibilities and Delinquent Certifications

Faculty and other employees are responsible for completing effort certifications within the time frame established in the certification instructions. The final effort certification period at fiscal year-end may be expedited to allow sufficient time for any necessary salary redistributions before the fiscal year closes.

Principal Investigators, department chairs, activity heads, and responsible department personnel are responsible for ensuring that effort certifications are completed timely and accurately. By the 16th day of each month, the Grants Accounting Office will issue a reminder notification to Payroll identifying all individuals with outstanding effort certification requirements. Payroll will ensure that the information is submitted and communicated to the appropriate individuals to facilitate timely certification. Departments with delinquent certifications may be reported to the appropriate executive officer, such as the Provost or Vice President, for follow-up action.

Questions regarding completion, review, or certification of effort should be directed to the appropriate department administrator, business officer, or Grants Accounting.

V. Biweekly Employees

Effort for biweekly employees, including students, temporary employees, and graduate assistants paid on a biweekly basis, will be certified through the University's time reporting process when the employee is assigned to a sponsored award or assigned to fulfill a University cost share commitment related to a sponsored award.

VI. Noncompliance and Corrective Action

Failure to comply with this policy may result in administrative or corrective action in accordance with University policies and procedures. Individuals, departments, and units responsible for untimely, incomplete, inaccurate, or unsupported effort certifications may be subject to follow-up by Grants Accounting and escalation to the appropriate department chair, activity head, Principal Investigator, or executive officer.

Noncompliance may also result in delays or disallowance of salary charges to sponsored projects, which could lead to the reallocation of payroll expenses to departmental funds and, where applicable, may impact employee compensation for time not properly certified in accordance with sponsor and University requirements.

If effort certifications are not completed and submitted by the required deadline, salary and wage costs associated with uncertified sponsored award activity may be removed from the sponsored award and charged to an appropriate departmental or unrestricted funding source.

Certifications that are knowingly inaccurate, incomplete, or unsupported may result in additional review and may subject the individual responsible or department to corrective or disciplinary action in accordance with applicable University procedures.

When applicable, noncompliance with this policy may affect eligibility for research incentives, internal funding opportunities, or other University-administered sponsored program benefits.

VII. Record Retention

Effort reports, certifications, salary redistribution forms, recertifications, payroll documentation, time records, review documentation, and other supporting documentation must be retained in accordance with University records retention requirements, sponsor requirements, applicable federal requirements, and the terms and conditions of the applicable award.

5.0 AUTHORITY AND REFERENCES

This policy is administered in accordance with applicable federal, sponsor, and University requirements governing compensation charged to sponsored awards, including but not limited to:

a. 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards;

b. 2 CFR § 200.430, Compensation, Personal Services;

c. Applicable sponsor terms and conditions;

d. University policies and procedures governing sponsored awards, cost transfers, payroll, records retention, and financial management; and

e. Applicable grant, contract, cooperative agreement, or award documents.

f. University policies and procedures governing sponsored awards, cost transfers, payroll, records retention, and financial management; and

g. Applicable grant, contract, cooperative agreement, or award documents.

6.0 HISTORY

Policy 5.11.12	Time and Effort Reporting	January 2010