

<b>System-wide Policy:</b>	
<b>FI0215 - Review and Acknowledgement of Personal Costs (Effort Certification)</b>	
<b>Version: 3</b>	<b>Effective Date: 09/30/2025</b>

## SECTION 1. Policy Statement

### I. Overview

- A. The University receives funding from federally sponsored grants and contracts. As a condition of receiving this federal funding, the University must follow federal laws, rules, and regulations, including those relating to effort reporting (also referred to as “effort certification”).
- B. Effort certification is the method used to confirm to sponsors that the effort spent on a sponsored agreement reasonably reflects the salary and wages charged to that agreement. An effort report is an after-the-fact reporting of activities for which the employee was compensated by the University.
- C. The University requires after-the-fact effort certification as an internal control measure for verifying that principal investigators have charged appropriate salary and wage expenses to sponsored grants and contracts.
- D. The University’s policy is that all University employees who engage in sponsored projects will comply with applicable federal requirements and University policies and procedures on effort reporting. Employees must certify effort for any portion of pay committed, charged, or reported on a federally sponsored project during the reporting period.

### II. General Requirements

- A. Uniform Guidance (2 C.F.R. § 200.430) contains the federal regulatory requirements for internal controls over certifying time expended on sponsored projects. To comply 2 C.F.R. § 200.430, for each federal sponsored award (including pass-through awards), the principal investigator is responsible for reviewing and verifying each personnel expense charged to a sponsored project in the previous fiscal year.
- B. The University requires principal investigators to certify effort at least once per year.

### III. Calculating Effort

- A. An employee’s total effort is defined as all professional activity for which the University employs the individual, whether part-time or full-time.
- B. For reporting purposes, the University calculates an employee’s effort in percentages, not hours.
- C. An employee’s total effort must always equal 100%, regardless of part-time or full-time status, and regardless of hours worked. Employees must account for 100% of their University-compensated time and effort including, for example, the time relating to non-sponsored activities including teaching, grant writing, and administrative duties.
- D. Because most University employees are engaged in teaching, administrative tasks, and other duties, in addition to their work on sponsored programs, the total effort and salary for an employee will usually not be 100% committed to sponsored research, except under special circumstances that demonstrate otherwise.
- E. Employees must provide an account of all effort expended on a sponsored activity, even if the sponsor did not compensate the employee for that activity, which constitutes “cost sharing.”

### IV. Preciseness of Effort Certification

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- A. The federal government's [Uniform Guidance at 2 C.F.R. § 200.430\(g\)\(1\)\(ix\)](#) acknowledges that a "precise assessment of factors that contribute to costs is not always feasible, nor is it expected."
- B. The University's tolerance level for effort estimates is plus or minus 5%.
- V. **Timing**
  - A. The University will notify principal investigators when certification is due.
  - B. Principal investigators must submit their effort certification reports within 30 calendar days from receipt of notice that certification is due.

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## SECTION 2. Reason for the Policy

This policy is to ensure that all University employees who are engaged in sponsored projects appropriately allocate their time.

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## SECTION 3. Scope and Application

This policy applies to all University employees.

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## SECTION 4. Procedures

The University has not adopted systemwide procedures for this policy.

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## SECTION 5. Definitions

N/A

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## SECTION 6. Penalties/Disciplinary Action for Non-Compliance

Failure to comply with this policy might result in adverse human resources actions, up to and including termination. Further, failure to comply with this policy might result in loss of funding or other consequences that sponsoring agencies might impose.

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## SECTION 7. Responsible Official & Additional Contacts

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Subject Matter	Office Name	Telephone Number	Email/Web Address
Policy Clarification and Interpretation	Jennifer Easley	865-974-3590	<a href="mailto:jennifer.easley@tennessee.edu">jennifer.easley@tennessee.edu</a>

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## SECTION 8. Policy History

List the history of any prior revisions of the policy or whether this policy replaces an existing policy. The forma below is merely a guide.

Revision 3: 09/30/2025

Revision 2: 07/10/2018

Revision 1: 10/01/2017

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## SECTION 9. Related Policies/Guidance Documents

- [FI0205 – Sponsored Projects](#)
  - [FI0210 – Sponsored Projects – Cost Sharing](#)
  - [FI0220 – Sponsored Projects – Cost Transfers](#)
  - [FI0230 – Sponsored Projects – Subaward Origination and Subrecipient Monitoring](#)
  - [FI0235 – Sponsored Projects – Program Income](#)
  - [FI0207 – Sponsored Projects – Salary Policy](#)
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