

## **Georgia Institute of Technology** **Maximum Effort on Sponsored Awards**

### **Purpose**

Georgia Tech employees performing work on Resident Instruction sponsored awards must regularly monitor and report effort in accordance with Institute Policy 3.2, “Personal Services Reporting Using the Plan Confirmation System,” and 2 CFR 200.430. To reduce compliance risk, Georgia Tech Finance & Planning’s Office of Grants and Contracts Accounting—together with Institute Executive Leadership and Internal Audit—has determined that effort charged to sponsored awards will be capped at **98%** for most non-student employees.

This cap reflects the expectation that employees spend a portion of their time on non-sponsored activities (e.g., compliance training, administrative meetings), which are not allowable charges to sponsored awards. Students are exempt from the cap due to their limited administrative responsibilities and dual status as students and trainees. All compensation must remain allowable, allocable, and reasonable.

### **Exceptions**

The following job titles have been exempted from the process due to the nature of their roles. Employees and departmental financial managers are expected to continue to review the effort of these employees regardless of the exception and make sure their effort aligns with the actual work performed.

- **Student Employees**

Students have limited administrative duties and their hours are capped via Institute policy.

Examples titles: Work Study Student, Graduate Teaching Assistant (GTA), Graduate Research Assistant (GRA), Student Assistant, and Graduate Assistant–Fellowship.

- **Tech Temps**

Tech Temps supporting sponsored awards generally perform specific research tasks and have minimal administrative duties. This category also includes student workers who must be converted to Tech Temp status during non-enrollment periods (e.g., summer).

Example titles: TEMP–Lab/Research Support.

- **Postdoctoral Fellows**

Postdocs work under PI supervision for the purpose of advanced training and preparation for independent research careers. Sponsors such as NSF require mentoring plans, reinforcing the training nature of these roles.

See <https://www.nsf.gov/science-matters/nsf-101-mentoring-plan>.

Example titles : Postdoctoral Fellow, Postdoctoral Associate, Teaching Postdoc, Postdoctoral Scholar, Postdoctoral Fellow-NE, etc.

Continual review will be performed by the Office of Grants and Contracts Accounting to identify other low risk populations that merit exclusions and we reserve the right to adjust as needed.

“Low-risk” is being defined as positions whose duties are almost entirely project-specific and involve minimal administrative, supervisory, or institutional service requirements.

These employees typically have limited responsibilities outside the sponsored project, reducing the likelihood of unallowable administrative effort.

### **Process**

The max-effort review will occur at the end of each quarter (September, December, and March) and at the close of May. The process evaluates regular salary paid or encumbered and identifies employees whose sponsored effort exceeds the 98% threshold. Summer pay, supplemental pay, and other additional pay types are excluded.

Any amount above 98% will be moved to the cost-overrun worktag associated with the sponsored project via a central accounting adjustment posted in the current open period. Future funding/encumbrances will not be adjusted.

Departments are encouraged to submit a Change Position Funding (CPF) transaction in OneUSG to proactively allocate 2% of salary to an appropriate non-sponsored worktag.

### **Challenges**

Below are some of the key challenges we will continue to address in identifying employees whose salaries are fully charged to sponsored awards to ensure their effort does not exceed the 98% cap.

- **Employees are evaluated at the employee ID level rather than by job title.**

This change was implemented after identifying issues with faculty who change titles mid-year. Previously, the system treated an employee with two job titles as if they

were two different people, which caused incorrect flagging and adjustment of funds.

**For example:** An assistant professor may charge 100% of their summer salary (July–August) to a sponsored award. If they are promoted to associate professor in September, our flagging process historically treated these roles as separate employees. The summer portion then appeared as if the employee charged 100% effort for the year, even though their full fiscal-year salary distribution did **not** exceed 98%. Evaluating effort at the employee ID level should help resolve this issue.

- **Timing constraints around fiscal year-end.**

Because year-end processing is compressed, there may not be sufficient time in June to review effort and apply final adjustments. A May review helps mitigate this, but some employees may still exceed 98% without a year-end reconciliation.

- **Salary distribution changes throughout the year.**

CPFs and EDRs (salary cost transfers) may shift salary distributions after the fact, which can alter an employee's final sponsored percentage and create discrepancies between quarterly reviews and year-end actuals.