

Prepared by the Office of Research Services.

This replaces Administrative Procedure No. A8.948, dated August 1993

A8.948
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A8.900 Extramurally Funded Research and Non-Research Grants and Contracts

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A8.948 Effort Reporting

1. Purpose

Ensure that personnel charges and related documentation comply with federal requirements.

The University is required, under Office of Management and Budget's (OMB) Circular A-21, to have an Effort Reporting system which documents personnel costs that are chargeable to federally sponsored agreements. Effort Reports provide an after-the-fact accounting for effort for employees who are paid in whole or part, as part of a federally sponsored agreement. Effort Reports confirm that the distribution of an employee's salary and wages to sponsored projects and all other activities reasonably reflects the actual activity of the employee.

2. Objective

Document official policies and procedures on Effort Reporting requirements for personnel charges to federally sponsored projects and define responsibilities of affected personnel.

3. Applicability

These procedures apply to all federally sponsored agreements to which personnel costs are charged.

4. Guidelines

- a. Effort Reports are created annually from the University's official payroll accounting system. These reports are used to certify the percentage of effort an employee worked on a particular project. An Effort Report is generated for each UH employee funded by a federally sponsored agreement.

- b. Effort Reports are required for all regular payroll for UH employees that are charged to federally sponsored projects. Overload, casual, RCUH and student payroll are supported by other documentation (i.e. time sheets).
- c. Personnel Notification Forms (PNF) should generally be initiated prior to the effective date of the personnel action in accordance with payroll requirements and processing deadlines, in order to generate payroll charges appropriately
- d. For personnel who are split-funded, the Full-Time Equivalent (FTE) ratio reported should represent reasonable estimates of the time and effort expended on specific project(s).
- e. The Effort Report shall be certified in accordance with deadlines established by the Office of Research Services (ORS).
- f. The PI or a supervisory official having first-hand knowledge of the services performed on the project shall certify the reasonableness of the percentage of effort expended by employees on the project for the period covered.
- g. The fully approved Effort Report serves as the permanent record detailing the distribution of effort for an employee for a given period and will be maintained in the University's official accounting system in accordance with the University's record retention policies outlined in APM A8.926.
- h. An individual's FTE contribution towards a project should be adjusted on the PNF and the payroll system when there is a variance of more than 5% over a long-term period (greater than 2 months). For example, if FTE is currently at .50, adjustments should be processed when actual FTE falls below .475 or exceeds .525.

5. Responsibilities

- a. Chancellor/Dean/Director is ultimately responsible for the prescribed documentation of personnel costs charged directly to federally sponsored projects under their jurisdiction, including the implementation of corrective actions for departmental deficiencies and the securing of necessary funds to cover any cost disallowances that may arise due to non-compliance with this federal requirement.
- b. Principal Investigator (PI) is responsible for reviewing and ensuring that amounts (including FTE percentages) reasonably represent the labor efforts performed by project personnel. The PI should submit the Payroll Notification Form (PNF) in a timely manner in order for

payroll to be charged appropriately. PI also ensures that labor charges are never allocated to federally sponsored programs to: (1) cover deficiencies caused by project overruns; (2) avoid restrictions imposed by law or provisions of the sponsored agreement; or (3) for other reasons of convenience.

- c. Fiscal Administrator (FA) is responsible for reconciling payroll on a regular and timely basis based upon information provided by the PI and ensuring that documentation on file agrees with the Effort Report.
- d. Office of Research Services (ORS) is responsible for ensuring that all Effort Reports have been reviewed and approved in accordance with established deadlines.

6. Procedures

- a. PIs and FAs receive notification that Effort Reports have been generated and require attention.
- b. PI reviews Effort Report and performs the following:
 - Confirms reasonableness of salary amounts and FTE percentages.
 - Approves the online Effort Report in accordance with deadlines established by ORS.
- c. FA approves Effort Report to confirm that documentation on file agrees with the Effort Report.
- d. ORS verifies that all Effort Reports are received in accordance with established deadlines. ORS will send a reminder notice and notify Deans/Directors of any outstanding Effort Reports that are not submitted by the established deadlines. Account activity may be suspended until required Effort Reports are submitted.