

EFFORT REPORTING

Objective:

To ensure departments/units certify and document effort in a manner consistent with institutional policies (designed to meet federal grant requirements).

Potential Impact:

Results in audit findings, disallowance of costs, refusal of sponsors to award future contracts, negative publicity, and fines if effort is not reported correctly and documented adequately.

Helpful Tools:

- UH System Administrative Memorandum:

[F03.H.01 - Financial Record Retention](#)

[UH System Records Retention Schedule](#)

- UH – Downtown Policy Statement:

[06.A.01 - Debarment and Suspension Policy](#)

[06.A.02 - Disclosure of Lobbying Activities Policy](#)

[06.A.03 - Standards of Conduct in Government-Sponsored Research](#)

[06.A.04 - Procurement Integrity Policy](#)

[6.A.5 - Privacy Act and Freedom of Information Policy](#)

[6.A.6 - Guidelines for the Administration of Sponsored Research](#)

[6.A.7 - Ethical Conduct in Research and Government-Sponsored Activities](#)

[03.A.23 - Protection of Human Subjects](#)

- UH Website:

[Office of Sponsored Programs](#), [Grant Accounting](#)

- Other(s):

[A-21 Cost Principles](#)

[A-110 Uniform Administrative Requirements](#)

[A-133 Audit Guidelines](#)

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Frequently Observed Weaknesses/Deficiencies:

- Effort certified based on funding availability or established project budgets rather than actual work performed.
- Signed certifications inconsistent with effort as reported in the effort reporting system.
- Certifications not filed and retained as required.
- Mathematical errors on effort certifications.
- Verification that all required individuals are certified each month.
- Timely submission.

Best Business Practices:

1. Designate an individual responsible for coordination of the effort certification process. This individual should understand the concept and importance of the effort reporting process and assist individuals with certifying accurately.
2. Ensure individuals certifying understand the entire nature and implications of the effort reporting process and have received adequate training.
3. Ensure effort certified represents actual/true work performed by the employee.
4. Establish and document a methodology/basis for determining what percentage of an individual's time is reported where, consistent with job expectations as outlined in appointment letters and position descriptions.
5. Ensure effort reports on grants are signed by the principal investigator and represent final effort as reflected in the effort reporting system.
6. Ensure any changes to preliminary certifications are initialed or final certifications printed and signed.
7. Address any errors and/or discrepancies associated with effort in a timely manner. (If detected untimely, changes may not be allowed by Sponsored Program Agreement.)
8. Ensure all effort certifications on grants are maintained for three years after the end of the grant.

Case Scenario: Agreement A is a deliverables based contract which includes a personnel budget for Dr. Smith and requires Dr. Smith to go out of town as needed. Dr. Smith also has other obligations to cover as a part of his faculty duties. One month, Dr. Black covers Dr. Smith's faculty obligations while he is out of town performing work for the contract. Dr. Black's effort for that month is charged to the deliverables based contract because it indirectly supports the purpose/fulfillment of the contract. Is this appropriate or allowable?

Case Scenario Answer: No, this is not appropriate nor allowable. This is indirect effort and only effort directly related to accomplishing the work of the project should be charged to the project.

AREA

This questionnaire is designed so that “no” answers indicate that an internal control weakness may exist and the procedure/process may need to be examined in greater detail. **Comments should be provided for “No” answers.** When such weaknesses are identified, a change in the process may be necessary OR a control may need to be put into place to address the weakness. The appropriate UHD contact office (as outlined in the self-assessment text) may be contacted for assistance with identified weaknesses.

| Self-Assessment of Internal Controls for Contracts | Yes | No | N/A | Comments |
|--|--------------------------|--------------------------|--------------------------|----------|
| Are employees familiar with SPA’s effort reporting policy? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Have employees received training on effort certification/reporting? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Does the department/unit have an individual responsible for coordination of the effort certification process? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Does certified effort reflect true/actual work performed? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Do employees have a reasonable methodology/process for calculating and reporting their effort, including effort for clinical trials? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| If effort submitted for a sponsored account will not pass budget check due to insufficient funds, is a cost share account immediately established? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Does the employee or an individual most knowledgeable about the relationship between effort devoted and benefit received (i.e. the P.I.) sign the certification? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Does department management avoid influencing the effort reporting process based on availability of funds? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Are final certifications printed with all changes and signed and dated OR are all certification changes initialed on the preliminary certification and the certification signed and dated? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Do you ensure that effort is reported each month for all required individuals? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Are all effort certifications maintained for five years? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |

This is a living document and will be updated as revisions are necessary. Periodically, you may want to check for updates and revisions. We welcome any questions and feedback regarding the information contained in this tool including any comments regarding how this may be more useful and effective.