*Effort Reporting Guidelines*

As a recipient of external funding, the University is required to demonstrate that the payment of salary and wages from external funds is consistent with records which accurately reflect the work performed. As such, the University has in place systems of internal controls to assure that compensation for personal services are accurate, allowable, and properly allocated to federal and non-federal sponsored activities.

The University of Houston’s Effort Reporting System tracks after-the-fact total activities, not to exceed 100% of the compensated activities covered by the Institutional Base Salary (IBS), for all employees working on federal and other sponsored projects. This system demonstrates to external sponsors that funding expended on the designated portion of an individual’s salary charged to a funded project is no greater than the individual's effort spent on that project.

Principal Investigators (PIs) must confirm for themselves and all others working on their project, that salaries charged to sponsored projects are consistent with the effort that was contributed.

**Federal Requirement:**

The Federal requirement regarding effort reporting is outlined in the Uniform Guidance section §200.430, Compensation-personal services. It states that the standards for documentation of personnel cost charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed, and that these records must:

* Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
* Be incorporated into the official records of the non-Federal entity;
* Reasonably reflect the total activity for which the employee is compensated by the University, not exceeding 100% of the IBS;
* Encompass both *federally assisted and all other activities* compensated by the University on an integrated basis (teaching, research, administrative);
* Comply with the established accounting policies and practices of the University for Additional Compensation.
* Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.
* Budget estimates alone do not qualify as support for charges to Federal awards

**Frequency of Effort Reports**

The University of Houston issues effort reports on a quarterly basis for all Principal Investigators and other employees paid on sponsored projects or contributing effort towards it. Below are the effort reporting periods. The certification completion for each period depends on timeframe of the initiation and release of the reports.

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| Quarter | Reporting Period |
| 1 | September 1 - November 30 |
| 2 | December 1 - February 28 |
| 3 | March 1 - May 31 |
| 4 | June 1 - August 31 |

**Timing and Responsibility**

Each department is responsible for establishing business processes to certify effort reports. The Department Business Manager is responsible for working with the PI and for follow-up to ensure effort forms are certified.

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| **Time Frame** | **Recipient Responsibility** |
| Initiation *(90 days after the close of the reporting period)*  | *The Central Administrator (CA)* works with the Human Resources Department (HR) to extract the payroll data into MAXIMUS and configure for the reports.  |
| Notification (30 days after initiation) | *The CA* sends an email notification to the *Department Business Managers (DBA)* via listserv informing him/her that the effort form is ready for review. This is referred to as the *Pre-Review Process*.  |
| Release (30 days after Notification) | The *DBA* completes the pre-review process. This may include corrections to payroll (reallocations) before the form can be released to the PI *for certification. The PI* will receive an email notification informing him/her when the effort form is released and ready for his/her review and certification. |
| Certification (30 after Release) | The *PI has 30 days to review and* *certify* effort forms. During this time, if there are any corrections to the payroll (reallocations), the PI must work with the business office to make the necessary changes before certification can take place. |
| Re-Certification (30 days after certification) | Certifications will automatically be re-opened and need to be re-certified by the PI if a payroll salary reallocation is posted to a sponsored award after the effort form has been signed and the correction creates a variance above 5%. Recertification should be completed within 30 days after the e-mail is sent indicating that the effort form is open for re-certification. Recertification done after 30 days requires appropriate justification. |
| Reminder (30 Days After certification) | The *CA* will send reminder notifications to each DBA who has not completed the pre-review process for a PI, and to the PI who has not completed the certification process.  |
| Chair Notification (30 Days After Reminder) | The *Director of Contracts and Grants* will send an email to the Department Chair/Dean notifying them of the PIs in their department, school, or college who have not certified their effort forms.  |
| VP Reminder (30 Days After the Chair Notification) | The *Vice President of Research* will send an email to the Department Chair/Dean who still has PIs who have not certified their effort forms.  |

**References and Associated Links to the Effort Guidance**

* Institutional Base Salary (IBS)
* Salary Cap Limitation for DHHS award including NIH
* Cost Sharing Policy
* Cost Transfer Policy
* MAXIMUS – Effort Reporting System