

## Effort Reporting Basics



### What's Effort Reporting?

- Is a federally-mandated process by which the salary charged to a sponsored project is certified as being reasonable in relation to the effort expended on that project.
- Involves estimating a percentage of one's time spent on each project or activity periodically. The total percentage of time worked cannot be more than 100%.
- Is required for all employees who have been paid fully or partially from federal or sub-federal sources.
- Effort Reporting requirement is outlined in section J.10 of OMB Circular A-21, Cost Principles for Educational Institutions – Compensation for Personal Services

- **Institutional Base Salary (IBS):** includes salaries and wages paid to an employee from any university source as payment for services provided under their employment agreement. IBS does not include clinical incentive pay paid by UPH funds, cash awards, or supplemental compensation.
- **Total University Effort:** includes all professional activity for which an individual is compensated by the University of Arizona: sponsored activities, teaching, administrative duties, clinical activities, and other activities. Please refer to Table 1 at the end of the Interim Effort Reporting Policy and Procedure for guidance on how to treat common University activities.

- **Significant Change:** Direct charges for payroll to sponsored agreements will be made on the basis of estimates made before the services are performed. Significant changes in the corresponding work activity must be identified and entered into the payroll system. The Federal regulations specifically acknowledge that short term fluctuations (such as one or two months) need not be considered as long as the distribution is reasonable over the longer term, such as a six month cycle.
- **Level of Precision:** Federal regulations acknowledges that reasonable estimates of work activity are acceptable. Therefore, when estimating the percentages of effort on projects and activities, a degree of tolerance such as 5% of one's total effort is appropriate.

- A semi-annual after-the-fact activity report.
- Reporting periods are July to December and January to June.
- Three pay periods are allowed to make corrections when the six-month period ends.
- Effort reports are centrally generated and distributed to home departments.
- Home departments coordinate effort reports signing and return certified reports in 60 days.
- Effort reports are also available via the Metadata Portal at: <http://meta.data.arizona.edu>, report repository section.

- Effort report lists pay distribution dollar amount and percentage by project and activity. (See a sample effort report attached)
- Supplemental compensation is listed separately at the bottom of the effort report as hourly wages.
- If the actual level of effort on a project is lower than the pay distribution, a correction is required.
- To correct the level of effort, write the correct percentage in the corrections to effort column and sign the report. Payroll expense transfers should be created to bring pay distribution in sync with the adjusted effort.

- Cost sharing on sponsored projects is not captured on the effort report, therefore, effort percentages on these projects may be lower than the actual level of effort contributed. The cost-shared effort is generally captured in other University funds.
- Cost sharing documentation should be maintained by departments. SPS will request the cost sharing documentation periodically.
- The pay distribution percentages may be different from the actual effort percentages when an individual holds dual appointments with different pay rates. List the correct effort percentages but do not process payroll transfers.

- Employee
- Principal investigator with first hand knowledge of the work performed
- Other individual with first hand knowledge of the work performed (i.e. lab manager or supervisor)
- Responsible official using suitable means of verification (see Interim Effort Reporting Policy and Procedure for additional clarification)



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Sample Effort Report Attached

**Semi-Annual Effort Report**  
**University of Arizona**  
**For the period 7/1/07 to 12/30/07**

**DAYLEY, DELYNN B**

EID: 113007055

Department  
 00659  
 COM-PHX ADMIN

FTE: 1.00

Appointment Type: C

Annual Salary: 65,246

**Payroll Distribution 7/1/07 to 12/30/07**

Account	Dept	Sponsor	Sponsor Number	Start Date	End Date	MFG	Description	Principal Investigator	Gross Pay	% Paid	Please write in corrections to % Effort
149010	00659			1/1/1860	1/1/1860	H1	COM PHX-CAMPUS ADMI	PAULSEN, BRENDA L	10,295.71	70%	_____
164500	07451			1/1/1860	1/1/1860	E2	TELECOMMUNICATIONS	NORIN, MICHELE L	4,412.44	30%	_____
Total									14,708.15	100%	

Note: Cost sharing effort should be listed under the non-sponsored account that is funding the cost sharing.

**Supplemental Compensation Listing**

Account	Dept	Sponsor	Sponsor Number	Start Date	End Date	MFG	Tran Type	Earn Type	Hours Paid	Gross Pay	Earnings Date	Posting Date	Corrections to supplemental compensation payments
355530	00709	CDC	UR3DD00090	6/1/2006	5/31/2008	A4	CURR	SUP	4.00	121.16	7/29/2007	8/3/2007	_____
355530	00709	CDC	UR3DD00090	6/1/2006	5/31/2008	A4	CURR	SUP	2.00	60.58	8/12/2007	8/17/2007	_____
355530	00709	CDC	UR3DD00090	6/1/2006	5/31/2008	A4	CURR	SUP	2.00	60.58	8/26/2007	8/31/2007	_____
355530	00709	CDC	UR3DD00090	6/1/2006	5/31/2008	A4	CURR	SUP	2.00	60.58	9/9/2007	9/14/2007	_____
Total									10.00	302.90			

I confirm that the above distribution of salaries, wages, and supplemental compensation payments directly charged to Sponsored Agreements is appropriate and reasonable in relationship to the work performed during the reporting period.

Print Name

Signature

Date