



UNIVERSITY OF
SOUTH CAROLINA

Time and Effort Reporting Guidelines

Time and Effort Report Explanation

- A Time and Effort Report is a legal document stating that the certifier confirms the effort on the sponsored project is accurate and appropriate. This document will be examined by auditors in the event of an audit. Therefore, suitable means of verification that the work was performed should always be documented.

Time and Effort Report Explanation Cont.

- Any employee funded by federal grants must document the time they spend working on the grant's objectives through time and effort reporting.
- All time worked for the organization should be included in order to calculate what portion relates to federal awards.
- Employees paid hourly (via iTAMS) must prepare records indicating the total number of hours worked daily, therefore their time sheet is also considered their effort report.

What is Effort?

- “Effort” – the amount of time spent on a particular activity. It includes the time spent working on a sponsored project in which salary is directly charged or contributed (cost-shared effort).
- Individual effort is expressed as a percentage of the total amount of time spent on work-related activities (instruction, research, patient care, administration, etc.) for which the University compensates an individual.

Change in Guidelines – Late 2014

- The language in the regulation went through various modifications before the final guidance was issued in late 2014. The previous requirements were different among the state and local government, not-for-profit, and higher education industries, so the final guidance is considered by many to be a compromise of all of the different rules with a focus on reducing the administrative burden that often accompanied meeting the previous requirements.
- The new standards provide more flexibility in the process, with the focus being on controls to ensure that time is charged to grants appropriately.

Who Must Comply

- All individuals involved with the administration and conduct of federally sponsored award activities, including central and departmental sponsored project administrators, principal investigators, and other research personnel must comply with Uniform Guidance.
- Adherence to Uniform Guidance is required for all effort related to federally sponsored awards as well as any non-federal awards where the non-federal sponsor requires effort reporting.

When a Time and Effort Report is Required

- The federal government requires an effort report when an individual is compensated by or has agreed to contribute time to a federally sponsored project. All faculty who serve as investigators on sponsored agreements are responsible to certify the amount of effort that they and their employees spent on sponsored activities.

Calculating Time

- Total effort always equals 100% regardless of hours worked in the week.
 - Cannot be greater than 100% for overtime.
- 100% Effort = 100% IBS (Institutional Base Salary)

Institutional Base Salary (IBS):

- Pay for the employee's primary job responsibilities. The amount of an employee's Institutional Base Salary is described in their appointment letter, and thereafter in annual salary letters or amendments to such letters.

Approving Effort

- Principal Investigators, Department Chairs and/or Administrators
 - Understand and comply with sponsor requirements regarding commitments of effort.
 - Coordinate the monitoring of all effort forms for individuals within their department.

Approving Effort Cont.

- Principal Investigators, Department Chairs and/or Administrators
 - Assist in ensuring that effort certifications are completed in a timely manner.
 - Ensure that the University's accounting records are consistent with certified effort by completing cost transfers and documenting cost sharing.
 - Certify effort, where appropriate, using suitable means of verification.

Timeline of Completion

- University of South Carolina completes effort reporting semi-annually.
 1. January – June
 2. July – December

Calculation of Effort: Example 1

- Professor A works an average of 50 hours per week with effort divided equally among four tasks: teaching, conducting research on each of two grants (A and B), and chair/committee responsibilities.
 - 25% Effort Teaching
 - 25% Effort Grant B
 - 25% Effort Grant A
 - 25% Effort Chair/Committee
- If Professor A worked an average of 30 hours per week and the same four tasks how would effort be calculated?

Example 1: Answer

- The percentage of effort is the same because the percentage of effort is based on the effort worked on each task divided by the total effort worked, not the number of hours worked.
 - 25% Effort Teaching
 - 25% Effort Grant B
 - 25% Effort Grant A
 - 25% Effort Chair/Committee

Calculation of Effort: Example 2

- Professor B works an average of 50 hours per week on teaching, grant and administrative duties
 - Also serves for pay on outside scientific advisory board, averaging 5 hours a week
 - Works full calendar year on two grants, spending total of 10 hours a week on Grant A and 5 hours a week on Grant B

Example 2: Answer

- Distribution of effort:
 - 100% Effort for USC is 50 hours
 - Grant A may be charged 10/50, or 20% effort
 - Grant B may be charged 5/50, or 10 % effort

Example 3: Salary Support from the University and an Award

- Dr. C budgets 75% effort to a federal project and is paid from the grant at 75% of her IBS.
- Dr. C puts in 30 hours a week on the project, but also spends 20 hours a week on teaching and vice-chair responsibilities.
- 30 hours is 75% of a 40 hour week, so Dr. C thinks she is compliant.

Example 3: Answer

- Dr. C is out of compliance and subjecting the University to audit risk by overcharging the federal project.
- Effort on the federal project is 60% (30/50).

Example 4: Adjusting Effort Due to New Awards

- Dr. D works 60 hours per week: 15 on a federal grant and 45 hours on other institutional activities. Dr. D's actual effort for this grant was 25% (15/60), consistent with the requested and funded amount.
- Received a second federal award that provided support for 20% effort.
- Dr. D continues to expend 15 hours on the first grant and 45 hours on other professional activities, but now also devotes 15 hours per week to the second grant.

Example 4: Answer

- The actual effort and salary on Grant #1 should be reduced from 25% to 20% (15/75) on the effort certification report.

Consequences of Noncompliance

- Increased scrutiny from federal auditors and financial penalties. Items below increase the risk for audit findings:
 - Unsigned effort reports
 - Emails saying “Just zero out the grant.”
 - No procedures in place to monitor effort expended vs. committed.



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