

## **Time and Effort Reporting: What is it and why is it necessary?**

The federal government requires an effort report when an individual is compensated by or has agreed to contribute time to a

Documentation on how individuals spend time on federally sponsored projects is subject to federal audit and can be cause for institutional or individual disallowances.

Institutional disallowances can result if:

- 1) The effort report was certified by an individual other than the employee or someone who has "first-hand" knowledge of 100 percent of the employee's time;
- 2) The effort report does not encompass all of the activities performed by the employee under the terms of their employment;
- 3) The levels of effort reported do not appear reasonable, given the responsibilities of the individual.

Individual disallowances can result if:

- 1) The effort report certified by the individual is found to be falsified;
- 2) The levels of effort reported do not appear reasonable.

As evidenced above, federal audit disallowances can result in serious financial penalties for institutions. In addition, criminal charges may be brought against an individual certifying to falsified effort.

Current audit plans for federal auditors include effort reporting as a specific audit focus.

**Effort Reporting Procedure at WIU**

WIU has implemented the following time and effort certification procedure for federal and state contract and grants. Time and Effort Certification Reports are generated three times a year (September 1 - December 3, January - April 30, May 1 - August 31) for all employees paid from federal and state contracts or grants, including any mandatory cost sharing accounts. The reports are sent to the principal investigators or project directors responsible for the accounts reflected on the reports.

The PIs or PDs or their approved designee must verify and sign the reports, certifying that the employees reflected on the reports actually performed the work on the indicated accounts and in the same percentage of time. Any corrections to effort should be reported immediately to the Office of Sponsored Projects.