As Utah State has just completed another fiscal year, Sponsored Program Accounting would like to review some common questions about the annual Time and Effort Report.

**Who does this affect?** In compliance with Office of Management and Budget (OMB) Circular A-21, Utah State University issues their “Time and Effort Report” annually. This certification “applies to all employees who work on federal or federal flow through awards, and should be completed with great care. Experience indicates that federal auditors consider salary charges a high risk audit area.

**What needs to happen?** Certifications of the Time and Effort Report must be signed by someone with firsthand knowledge of the effort performed. If the certification is signed by someone other than the principal investigator, the signer must have suitable means of verifying the work performed.

The confirmation should include 100% of employee’s effort for the time covered (including non-federal sources). USU Policy 582 allows a 5 percent variance between the actual effort and charges to the project. Principal investigators or supervisors should sign certifications for student employees.

**Where is this report?** The Controller’s Office at Utah State University prepares the Time and Effort Report and hand delivers a paper copy to the various departments for employee certification. It is then the responsibility of the departments to return the signed report to the Controller’s Office.

**Why does USU issue this report?** OMB A-21 sets forth the standards for compensation related to federal awards as well as federal flow through awards. “Failure to comply with OMB A-21 effort reporting requirements can result in serious penalties for the University and/ or the individual certifying their effort. These penalties may include financial audit disallowance of costs, and in some cases criminal charges may be brought against an individual certifying to a falsified Time and Effort Report.” (USU Policy 582)

**How can one correct an inaccurate report?** If the percentages shown on the Time and Effort Report are incorrect, it is the responsibility of the employee to manually correct the percentages before certifying their report. The employee then attaches a copy of the completed journal entry to the form and returns it to the Controller’s Office. For assistance, please contact Irene Jorgensen at 797-1061.

If you have any questions or suggestions on future topics to discuss, please contact your Sponsored Program accountant.