

# Whitman College Effort Reporting Policy

## **What is Effort Reporting?**

Effort reporting is a process mandated by the federal government (see [Uniform Guidance](#)) to verify that direct labor charges to, or cost shared on, sponsored projects are accurate, timely, and reflect the actual level of work performed. Government sponsors expect to pay only for those portions of employee effort that are actually devoted to their projects.

Periodically, the government and/or external auditors may review our payroll charges to assess whether the compensation charged to a sponsored award accurately reflects the effort expended on that project over the reporting period. Effort Reporting is frequently called upon to provide this verification for audits.

Erroneously certifying effort can be viewed as fraud. In recent years, several major universities have been assessed large penalties and/or agreed to settlements due in part to effort reporting violations: Northwestern University for \$5.5 million; University of Southern Florida for \$4.1 million; Johns Hopkins for \$2.6 million; Harvard University for \$3.3 million; and University of Alabama Birmingham for \$3.39 million.

## **Whitman College's Effort Reporting Procedure**

Whitman College uses an “after-the-fact” reporting system comprised of three reporting periods (January-April, May-August, September-December). Effort Reporting forms are required for each period an employee is paid by a federal or federal pass-through (subaward) grant or has included salary match as part of a federal grant award. The Principal Investigator (PI) is responsible and accountable for compliance with all federal regulations associated with sponsored projects awarded under his or her supervision.

Effort is the *portion of time* spent on a particular activity, expressed as a *percentage of the individual's total activity for the College*. Effort is not based on a 40-hour workweek, on full time equivalent (FTE), or on location of work (lab, home, conference, etc). Effort comprises all duties for which the College compensates an employee—both research and non-research professional activities. Effort, expressed in percentages, must total 100% for each month.

Federally sponsored activities to be included in effort reporting for faculty include:

- Working on a federal grant or contract (e.g. NSF, NIH, including grant-related research training)
- Writing progress reports
- Writing scholarly articles
- Presenting research results at a scientific conference held by an outside professional society
- Reading professionals journals to keep up-to-date with the latest advances in the field

Instruction and other activities to be included in effort reporting for faculty include:

- Working on a non-federal research project (e.g. a foundation grant)
- Administrative duties for Whitman College (includes duties as chair, dean, etc.)

- Instruction (e.g., all College courses, whether a classroom or research course)
- Other College-related service

Effort excludes any income that an individual earns outside of College duties. Vacation is not included in effort calculations.

### **Who Completes Effort Reports and When?**

Employees are required to complete an Effort Reporting form only during the reporting period(s) in which grant-supported effort occurs. For example, if no grant-supported effort occurs during the Spring reporting period (January 1-April 30), an Effort Reporting form is not required.

**Salaried Employees:** All salaried employees who work on federally funded projects are required to complete an Effort Reporting form. A completed form is required for every reporting period in which work is completed and paid for by the federal funding agency. For salaried staff, effort reporting includes all activities performed as an employee, including overtime.

**Hourly Employees:** Effort Reporting forms are not required for hourly employees because they are required to complete online timesheets, which must be approved by the PI before the employee is paid for hours worked on federal grants. These approved timesheets document effort in lieu of an Effort Reporting form.

### **Certification of Effort**

Federal regulations require the individual who certifies effort to have first-hand knowledge of the employee's activities. By signing an effort report, the signatory confirms that the percentage distribution of activity on the report represents a reasonable estimate of the work performed during the documented period by the employee listed in the report. In almost all cases, the individual certifying effort should be the individual conducting the work in question. Only in pre-approved situations where there is clear supporting documentation (e.g. a leave of absence) can an employee certify effort for another employee.

### **Effort Report Due Date**

Certification and return of signed effort reports must be completed by the end of the month following the conclusion of each reporting period (May 31, September 30, January 31).

### **Supporting Documentation for Effort Calculation**

When preparing Effort Reporting Forms, faculty and staff can refer to timesheets, calendars, schedules, telephone logs, meeting minutes, etc. to help refresh their memories for actual dates and time worked. These documents will be used by external auditors or other reviewers, if necessary. PIs should maintain these records for three years after the end of the grant period.

### **Definition of Academic Year Effort**

Effort that occurs during reporting periods that fall within the academic year should include activities that comprise an employee's Institutional Base Salary (IBS) and salary match paid by grants. IBS includes all responsibilities and duties outlined in an employee's appointment letter and job

description. IBS does not include income that an employee is allowed to earn outside of College duties.

### **Definition of Summer Effort**

During the months that fall outside of the academic year, effort includes all activities for which an employee is paid by the College, activities supported by the College, and activities related to College work.

### **Effort Reporting Form Review, Including Overpayment of Funds**

The Business Office will review completed Effort Reporting Forms. During the review, the Business Office will reconcile differences between payment and effort. If an employee was paid more than correlates with her or his effort within the College's degree of tolerance, the employee must return the overpaid funds to the College. The College will ensure any overpaid funds are returned to the appropriate funding source.

### **Degree of Tolerance**

All individuals signing Effort Reporting Forms certify that the percentage distributions of activities represent a reasonable estimate of the work performed. The College's degree of tolerance is +/- 5% (five percent).

### **Effort Reporting Form Modifications and Errors**

Sometimes there are legitimate reasons to modify the effort on a project after certification. Legitimate reasons do not include manipulating funds for budget purposes or to charge one grant to cover work activity expended for another project or work-related duty. Any request for retroactive adjustment requires a revised Effort Reporting Form and a written explanation that clearly sets forth why previous effort was erroneously certified, and why the requested change is more appropriate within the context of the law, federal requirements, and College policies and procedures.

The revised Effort Reporting Form must be submitted to the Director of Grants & Foundation Relations within 45 days of the discovery of an effort reporting error. These forms will be reviewed by the Business Office to ensure the error is appropriately resolved.

### **Effort Reporting Form Retention**

Completed Effort Reporting Forms are maintained in the Business Office for seven years.

## **How to Fill Out the Effort Reporting Form (With Examples!)**

Whitman College effort reports cover three four-month periods (January 1-April 30, May 1-August 31, September 1-December 31). Whitman College requires that an effort report be completed only for the period in which grant-supported effort occurs.

The Office of Grants & Foundation Relations will send an effort report to each PI who is required to complete one, at least one month prior to the end of the effort reporting period. Reports should be completed and signed electronically and returned to the Office of Grants & Foundation Relations by the end of the month following the conclusion of each reporting period.

Remember:

- Effort reporting must reflect actual work performed; it cannot be budget-driven.
- For salaried staff, effort reporting includes all activities performed as an employee, including overtime.
- If you are working on multiple sponsored projects, include effort on all projects even if no salary is received.
- Under federal regulations, 100% effort is an employee's total hours actually spent on work within the scope of his/her/their employment, regardless of how many or how few hours an employee works or the percent FTE of the position.
- Certifying 100% effort on a sponsored project indicates that no effort has been expended on other activities. If you may be spending some time on advising, class preparation, etc., you will need to include that effort on your report.
- Adding a project may cause committed effort to be >100%. Because increasing the number of hours worked will not correct the situation, the addition will result in less actual effort being applied toward estimated project commitments.

### **Examples of effort reporting scenarios:**

Dr. X has a nine-month faculty appointment and also receives two months summer salary (2/9) from an NSF grant on which she works during the summer.

### **Spring (January-April) and Fall (September-December) Reporting Periods:**

Over the course of a week during the academic year, Dr. X usually works on Whitman College teaching-related activities for 34 hours during the day (M-F) and 10 hours on nights and weekends. She spends about 4 hours a week writing proposals, advising students and attending college meetings. In addition, Dr. X spends 3 hours per week reviewing grant applications for the American Heart Association. She has no outside consulting activities at this time and is not doing research related to her NSF grant.

- **Which activities should be included in Dr. X's effort?** Dr. X's effort would include all teaching-related activities, writing proposals, advising students, and attending college

meetings. Note that effort is not based on a 40-hour work week - in this example, 100% effort is represented by a 48-hour work week.

- **How much effort should be applied to grant activities?** None
- **What will Dr. X's effort report look like?** An effort report is not required for this spring reporting period (January-April) because no effort was applied to grant activities. The same would be true for the fall reporting period (September-December).

**Summer (May-August) Reporting Period:**

*May and August include part of the academic year, so significant effort during those months will be spent on College activities and significant effort will be spent on grant activities.*

During the first two weeks of May, Dr. X spends an average of 48 hours per week on the activities described previously, and also participates in Commencement. During the last two weeks of May, Dr. X spends an average of 48 hours per week doing research on her NSF grant.

In June, Dr. X has no College-related academic responsibilities. She spends 40 hours per week doing research on her NSF grant. In addition, Dr. X attends a scientific meeting about content that is related to the technical scope of her NSF grant. She also spends 8 hours per week consulting on a project with the State of Washington.

In July, Dr. X spends 40 hours per week doing research on her NSF grant. In addition, she spends 2 hours per week on advising of incoming students.

In August, Dr. X spends 40 hours of one week on her NSF project, 40 hours of another week preparing for her fall classes, and the remainder of the month on vacation.

- **Which activities should be included in Dr. X's effort during this reporting period?** Dr. X's effort would include research on her NSF grant and attendance at the scientific meeting, as well as College-related student advising.
- **Which activities should not be included in Dr. X's effort report?** Outside consulting and vacation are not included in effort calculations.
- **What will Dr. X's effort report look like?**

<b>Month</b>	<b>May</b>	<b>June</b>	<b>July*</b>	<b>August</b>
Grant	50%	100%	95%	50%
Whitman	50%	0%	5%	50%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

\*42 hours per week; 40/42 = 95%; 2/42 = 5%

If you have questions about effort reporting, please contact Rachna Sinnott ([sinnotr@whitman.edu](mailto:sinnotr@whitman.edu), x5990)