

## Effort Reporting Policies

The principal investigator (PI) is responsible and accountable for compliance with all federal regulations associated with sponsored projects awarded under his/her/zir supervision. ([see Note 1](#)) **Effort certification is a compliance requirement of accepting federal awards.** ([see Note 2](#))

1. Effort is not based on a 40-hour work week, nor is it based on full time equivalent (FTE). Effort is an employee's total activity within his/her/zir College appointment and includes all research, teaching, and administrative duties. Effort is comprised of all elements for which an employee is compensated by Grinnell. This excludes any income that an individual is permitted to earn outside of duties for Grinnell. Effort is expressed in percentage terms and must total 100%. ([see Note 3](#))
2. The individual signing an effort report confirms that the percentage distribution of activity on the report represents a reasonable estimate of the work performed by the listed employee for the documented period.
3. In preparing effort reports, employees are encouraged to refresh their memories by consulting available resources documenting their activities during the period. These documents may include leave reports for the period, calendars, schedules, correspondence, telephone logs, meeting documentation, journals, etc. They are also resources that external auditors or other reviewers may consult to help resolve effort report questions, if they arise.
4. The individual who certifies effort must have first-hand knowledge of the employee's activities. This requirement is met by requiring that the employee sign his/her/zir own effort report, except in pre-approved and clearly documented circumstances that warrant a departure from the standard procedure, e.g. the individual is on leave of absence and is unable to mail or scan a signed copy.
5. Timely certification and return of effort reports by College-established deadlines is a federal compliance requirement.
6. Sometimes there are legitimate reasons to modify the effort on a project subsequent to certification. These modifications are referred to as retroactive adjustments. Legitimate reasons DO NOT include manipulating funds for budget purposes or to charge one grant or contract to cover work activity actually expended for another project or work related duty.
7. Any request for a retroactive adjustment requires a Letter of Justification (LOJ) that clearly sets forth why previous effort was erroneously certified, and why the requested change is more appropriate within the context of law, federal requirements, or College policies and procedures. LOJs are submitted to the Dean, with copies to Corporate, Foundation, and Government Relations and the Treasurer's Office. Retroactive adjustments requested via a LOJ must occur within 90 days of recording the expenditure for which a reclassification is requested.
8. Federal requirements generally allow up to 90 days after the project period end date for final reporting. Final effort reporting and any retroactive adjustments must be completed before the final reporting deadline.
9. Remember, whether or not you agree philosophically with this structure for effort reporting, it is a federal requirement and a current focus of federal auditing programs. Recent non-compliance findings have resulted in multimillion dollar fines at major, respected research institutions.

These policies are adapted with permission from Macalester College's Effort Reporting Policies.

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**Note 1: Principal Investigator (PI)**

Definition: The individual designated by the grantee, and approved by NSF, who will be responsible for the scientific or technical direction of the project. (Source: [NSF Proposal and Award Policies and Procedures Guide](#))

Responsibility: A PD/PI [project director or principal investigator] is an individual designated by the applicant organization to have the appropriate level of authority and responsibility to direct the project or program supported by the award. ... Each PD/PI is responsible and accountable to the grantee organization or, as appropriate, to a collaborating organization, for the proper conduct of the project or program, including the submission of all required reports. The presence of more than one identified PD/PI on an application diminishes neither the responsibility nor the accountability of any individual PD/PI.

[A PI] is not required to be an employee of the applicant organization. However, because the grant, if awarded, is made to the organization, the applicant organization must have a formal written agreement with the PD/PI that specifies an official relationship between the parties even if the relationship does not involve a salary or other form of remuneration.

PD/PIs are members of the grantee team responsible for ensuring compliance with the financial and administrative aspects of the award. They work closely with designated officials within the grantee organization to create and maintain necessary documentation, including both technical and administrative reports; prepare justifications; appropriately acknowledge Federal support of research findings in publications, announcements, news programs, and other media; and ensure compliance with other Federal and organizational requirements. NIH encourages PD/PIs to maintain contact with the NIH PO with respect to the scientific aspects of the project and the GMO/GMS concerning the business and administrative aspects of the award. (Source: [NIH Grants Policy Statement](#))

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**Note 2: Effort Certification**

Amounts charged to grant-supported projects for personal services must be based on an adequate payroll distribution system. Grinnell has elected to use a system of after-the-fact confirmation reports to document wages.

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**Note 3: Effort Must Total 100%**

Grinnell has elected to use a system of after-the-fact confirmation reports to document wages. These reports must account for 100% of each individual's effort.

## 5 Key Points about Effort Reporting

- 1. A 40-hour work week is NOT the basis for “100% effort”.**
  - Under federal regulations on effort reporting, 100% effort is an employee’s total hours actually spent on work within the scope of his or her employment regardless of how many or how few hours an employee works and regardless of the percent FTE listed on the appointment.
  - Effort certification must reflect actual work performed and cannot be budget driven.
  - Just as an employee’s total effort is not defined by regular business hours of the employer or by the percent FTE of the appointment, research effort does not necessarily take place only in the research facility/lab or only on university premises. Research effort can occur at home, at a conference or in off-site research-related meetings, etc. If these types of hours are included in calculating research effort, they must also be included in the calculation of total effort.
  - Please consult the Office of Corporate, Foundation, and Government Relations if other obligations (family commitments, travel unrelated to research, etc.) may affect your ability to accomplish the work planned in your proposal.
- 2. Federal auditors are looking for the following patterns that suggest that an effort certification is formulated by factors other than actual effort on the project:**
  - Patterns of retroactive adjustments to effort certifications or retroactive cost transfers. (Is there reasonable justification or does there appear to be a desire to “mop up” or transfer unused grant funds?)
  - Very small effort percentages on many grants. (Is it the actual research project contribution or just salary support?)
  - Research effort certifications that appear not to include accounting for actual administrative and/or teaching as part of total effort. If you certify research effort for your research grants totaling 95%, that leaves only 5% for all other work. If you are teaching two classes that each meet for three hours a week, classroom time alone equals six hours per week. For 6 hours to be 5% or less of your total effort – leaving at least 95% to meet your certified research effort– you need to be prepared to document the claim that your workweek is 120 hours or more.
- 3. What if one or more of the factors listed in point 2 exist in my effort reporting but are legitimate reflections of my effort?**
  - Maintain documentation that supports your research contribution - in research content and in time/percentage of effort (calendars, correspondence, work products, etc.)
  - A request for retroactive adjustment to an effort certification requires a Letter of Justification.
  - If an adjustment is needed, do not delay – 90 days is the limit for accepting a retroactive adjustment.
- 4. What if I disagree with this effort reporting approach?**
  - If you accept federal funds, you accept this obligation as a condition of taking the funds.
  - If you are skeptical about the magnitude and likelihood of serious jeopardy regarding noncompliance in effort reporting, please call the individuals below to get more information.
- 5. What if I have questions related to effort certification?**
  - For technical questions about effort certification processes and paperwork, contact:

**Susan Ferrari**  
Director of CFG Relations  
641-269-4983  
[ferraris@grinnell.edu](mailto:ferraris@grinnell.edu)

**Amy Anderson**  
Associate Controller  
641-269-4641  
[andersae@grinnell.edu](mailto:andersae@grinnell.edu)