



Office of Government and Foundation Relations

November 1, 2009

Dear Program Directors and PIs,

I would like to apologize upfront for the legal verbosity in parts of this letter; however, the College has some legal obligations I need to share with you, the result of which is the institution of a time and effort policy. I ask for your patience as you read through the entire letter. As always, I am available and happy to discuss this new policy and procedure, and to answer any questions you might have. Please feel free to call, email, or stop by my office anytime.

As you know, the federal government has been steadily increasing its oversight of grant recipients' financial management systems and account offices practices. Federal grant recipients' compliance with the administrative requirements of the Office of Management and Budget (OMB) Circular A-110, the cost principles of OMB Circular A-21, and the audit requirements of OMB Circular A-133 continue to attract increased scrutiny. And, according to the United States Department of Justice, lack of back-up documentation and inadequate personnel activity reports are two of the top five audit findings for federal grant recipients today. In order to comply with the federal government's charge that all grant recipients maintain personnel systems which provide detailed reports on the activities of each employee whose compensation is associated with one or more federal grants, St. Olaf College is instituting a Time and Effort reporting policy. According to this policy, every faculty and professional staff member working on an externally funded project must complete and submit a *Time and Effort Report* at the end of each term (semester and summer).

The *Time and Effort Report* asks each employee for a breakdown of their responsibilities over that term, including:

1. Percent effort spent on teaching and teaching-related activities
2. Percent effort spent on administrative and related activities
3. Percent effort spent on service and service-related activities
4. Percent effort spent on each grant-funded project or program in which the employee is involved

Before submitting the report to the Grant Coordinator – Post Award, the employee must obtain a “confirming signature” from the grant’s Project Director; or, in those cases where the employee is the Project Director, his/her Dean. In order to assist employees in tracking their time and effort over each term, a *Monthly Time and Effort Worksheet* is also available.

Both the *Time and Effort Report* and the *Monthly Time and Effort Worksheet* are available at the Government and Foundation Relations website, under the subheading Grant Financial Management:

http://www.stolaf.edu/offices/foundations/grant-management/Effort_Reporting.pdf

Some notes from the discussion of Time and Effort Reporting in the OMB Circular A-21 follow.

- “Charges to sponsored agreements may include reasonable amounts for activities contributing and intimately related to work under the agreements, such as delivering special lectures about specific aspects of the ongoing activity, writing reports and articles, participating in appropriate seminars, consulting with colleagues and graduate students, and attending meetings and conferences.”
- “Incidental work (that in excess of normal for the individual), for which supplemental compensation is paid by an institution under institutional policy, need not be included in the payroll distribution systems [here] described, provided such work and compensation are separately identified and documented in the financial management system of the institution.”
- “In the use of any methods for apportioning salaries, it is recognized that, in an academic setting, teaching, research, service, and administration are often inextricable intermingled. A precise assessment of factors that contribute to costs is not always feasible, nor is it expected. Reliance, therefore, is placed on estimates in which a degree of tolerance is appropriate.”
- “Practices vary among institutions and within institutions as to the activity constituting a full workload. Hence, the system will reflect categories of activities expressed as a percentage distribution of total activities.”
- “Reports will reasonably reflect the activities for which employees are compensated by the institution. To confirm that the distribution of activity represents a reasonable estimate of the work performed by the employee during the period, the reports will be signed by the employee and the principal investigator or responsible official(s) using suitable means of verification that the work was performed.”

Again, please call, email, or stop by with any questions or concerns regarding this or any grants related policies and procedures.

Sincerely,

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