

STANDARD OPERATING PROCEDURE (SOP)

SOP Number: 9
Effective Date: January 1, 2018
Last Reviewed: 5/12/2020

Title:

Effort Certification

OSP Contact Information

Business Hours: 8:00 a.m. to 5:00 p.m., Monday-Friday (excluding holidays).

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Overview

Effort reporting is a process mandated by the federal government ([2 CFR 200.430-Compensation-personal services](#)) to verify that direct labor charges to, or cost shared on, federally-sponsored projects are accurate, timely, and reflect the actual level of work performed. Effort reporting ensures that individuals certify “after-the-fact” for effort expended on federally funded activities. This reporting provides assurance to the sponsor that:

1. Salaries charged to sponsored projects are reasonable in relation to the work performed, and;
2. Faculty and staff have met their commitments to sponsored projects.

Effort expended in support of the project but not paid by the project (cost sharing) is also reportable. Federal sponsors expect to pay only for effort devoted to the project, not for other institutional duties. If effort is not properly certified, federal mandates require that the salary charges be removed from the federal account. Changes to the Uniform Guidance on December 26, 2014 resulted in additional flexibility regarding how institutions implement and track effort. Effort reporting must be completed on a regular basis in accordance with federal regulations. Failure to meet these requirements puts the University at risk for audit and can result in significant financial penalties.

Who Should Understand This Procedure

- PIs working under federally-funded projects
- Department chairs and coordinators
- Grants Accountants/fiscal liaisons
- Human Resources personnel
- Office of Sponsored Programs staff

Procedure:

Reporting Effort

1. Federal regulations state that 100% effort is the effort needed to complete the full set of duties included in an individual’s appointment. Because the number of hours worked per day or week varies for each faculty member or employee at UW Oshkosh, effort is not defined by a number of hours. It is instead based on percentages calculated by dividing time spent on one activity by time spent on all activities related to the UW Oshkosh appointment and grant activities. The percent effort for federal research is accounted for separately from other duties at UW Oshkosh such as teaching, administration, or public service. Sponsored activities (grants) are reported in a separate category from non-sponsored activities (institutional) duties. Workload splits for each PI or staff member will vary depending on their University contract terms.

Example Workload Split:

- a. 25%-Activities under ‘Grant A’ (sponsored)
- b. 5%-Activities under ‘Grant B’ (sponsored)
- c. 70%-Non-sponsored activities

Total=100% effort*

2. Effort data is pulled from the Shared Financial System (SFS) by the Grants Accountant following the end of a reporting period following the steps listed below:
 - a. Log in to SFS 9.1
 - b. Go to the *Main Menu* screen
 - c. Scroll down to the *Reporting Tools* and select the arrow on the right

- i. Go to Query and select the arrow on the right
 - ii. Go to Query Manager
 - d. Type in OSH_EFFORT_CERT_PCT_AF for the query name
 - e. Under the *Run to Excel* click on the *Excel* hyperlink
 - f. Under *Unit* put in UWOSH. The begin date and end date will be the effort report period
 - g. Click View Results. An Excel spreadsheet will appear and can be downloaded
3. *Faculty or staff on 9-month UW Oshkosh appointments do have the ability to request up to two months of summer compensation (Compensation for Additional Services, or CAS) if they are not already receiving University salary during this period. This is equivalent to 2/9th of their base salary (11.1% of base salary for each month of CAS). The Board of Regents (UW System Academic Planning Statement ACPS #4) requires that any faculty, academic staff, or limited appointee on a 9-month appointment obtain prior approval from the individual's Dean and Provost prior to receiving more than 2 months CAS during the summer.

Certification Frequency

1. Certification of effort is completed after-the-fact once per fiscal year, following the end of the fiscal year on June 30. PIs will have 30 days to complete and return their certifications and those of their supported staff.

Reporting Periods	Certification forms Available to PI	Certification form Deadline (30-day turnaround)
July 1-June 30 (fiscal year)	November 1	December 1

Precision in Effort Certification

1. There is an acceptable level of variance between an individual's actual effort and the effort that is certified by the individual on the effort report. Reliance is placed on estimates of effort as precise numbers are not always feasible or expected. The University of Wisconsin Oshkosh uses an acceptable variance of less than five percent of the total 100% effort. If a reasonable estimate of the actual effort is within this range then the certifying individual is allowed to certify the effort report.
- a. For example, if an individual's salary is committed at 50% to a sponsored project then it is allowable to certify 50% effort for the project if the effort was reasonably calculated to fall between 45-55% of the total 100% UW Oshkosh effort.

Certification Process for PIs:

1. Grants Accountant or designee pulls effort data report from Shared Financial System (SFS) and compiles certification forms for each individual who is a PI, Co-PI, Faculty, Academic Staff or University Staff. Compensation data for graduate students or post-doc trainees is pulled from hourly timesheets which are posted in WISDM and are considered appropriate tracking for these positions.
 - a. SFS compiles a list of all individuals supported by 144 (federal) accounts during the fiscal year. This list includes the breakdown of effort spent on all sponsored and non-sponsored activities. Effort for each individual should equal 100% spread across all institutional and grant-supported duties.
2. Grants Accountant or OSP staff send certification form(s) to project staff and PI via DocuSign.
3. Individuals review reports accordingly:
 - a. PIs and Co-PIs review and certify their own effort report by signing the form. PIs must also sign effort reports of their supported staff.
 - b. Other Faculty, Academic Staff and University Staff on the project review and certify their own form by signing in DocuSign. DocuSign automatically routes to the PI for secondary certification.
 - c. Graduate students and postdoc effort forms are certified by the PI or a supervisor with a reasonable means of ensuring the effort was indeed provided.
 - d. Effort reports are not required for undergraduate students who utilize weekly timesheets. UW Human Resources considers Student Hourly Appointment as a specific type of appointment. When some student hourly effort is allocated to sponsored projects the timesheet is sufficient certification of the sponsored effort.
4. The PI may certify in the absence of a staff member or if they have a suitable means of verifying that the work was performed as committed in the grant proposal.

5. Employees who work on a grant as part of a cost share requirement (i.e. unpaid effort contribution) are also required to complete these reports.
6. Return reports via DocuSign to the Grants Accountant within 30 days of receipt at effortreports@uwosh.edu.

Key Points for Reporting

1. Federal auditors look for patterns that suggest the Compensation and Effort report is based on factors other than actual effort on the project. The following items can be “red flags” for auditors:
 - a. Retroactive adjustments to effort certifications or retroactive cost transfers.
 - b. Small effort percentages on many grants
 - c. Certifications that don’t include administrative, teaching or other non-sponsored activities as part of the total effort.
2. Compensation and Effort Certification forms must reflect actual work performed and cannot be budget-driven.
3. When an individual is written into a grant proposal they are *committing* their effort to the sponsor
4. The sponsored effort should not exceed 100% when combined with all other institutional duties
 - a. Note: Some state or private sponsors may require compensation and effort reporting. Look for this language of mandatory reporting within the contract or agreement.
5. If Key Person effort is reduced by 25% or greater then agency approval must be obtained prior to the change and in writing. It is not enough to simply communicate the change with the Program Office. If you reduce paid effort, you may choose to document cost-sharing so that the total effort does not decrease.
6. Effort must be certified by someone with suitable means of verifying that the work was performed

Guidance Documents:

- [OMB Uniform Guidance: 2 CFR Part 200.430: Compensation-personal services](#)
- [NOT-OD-18-137: Guidance on Salary Limitation for Grants and Cooperative Agreements FY 2018](#)

Templates:

- Compensation and Effort Certification form

Definitions

1. Certifier: Principal Investigators are designated as certifiers for his/her report and that of his/her staff paid from the award funds. If PI has first-hand knowledge of the work performed by his/her staff, the PI should certify the reports
2. Compensation: Compensation is allowable if it is reasonable, conforms to established written policies, is consistently applied, follows an appointment and follows the Standards for Documentation of Personnel Expenses ([2 CFR 200.430 paragraph i](#)). Compensation supports the distribution of the employee’s salary or wages among specific activities (sponsored and non-sponsored or institutional activities)
3. Compensation Reporting: Formal administrative pre-review process to ensure payroll and commitments are correct. Per [2 CFR 200.430 paragraph i](#): “Generally, compensation must reasonably reflect the total activity for which the employee is compensated by the non-federal entity, not exceeding 100% of compensated activities.” Records must reflect the categories of activities expressed as a percentage distribution of total activities.
4. Effort: Effort is the portion of time spent on a particular activity, expressed as a percentage of the total 100% for which the individual is employed by UW Oshkosh. Total effort must equal 100% for each employee, regardless of the number of hours worked per week or the FTE of their appointment. “100% Effort” considers all professional activities related to the University appointment (teaching, research, service, administration) but does not include outside activities such as consulting.
5. Institutional Base Salary: Per [2 CFR 200.430\(h\)\(2\)](#): “Annual compensation paid by an institution for an individual’s appointment. The institution must define which activities are included in the IBS rate.
6. NIH Salary Cap: NIH caps the direct salary for individuals working on NIH grants and cooperative agreements. The cap established a maximum annual rate of pay at which an individual’s fully effort over a 12-month period can be charged. The cap changes annually and a current cap can be found at: <https://grants.nih.gov/grants/guide/notice-files/NOT-OD-18-137.html>

Responsibilities:

Roles	Responsibility
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Grants Accountant	<ul style="list-style-type: none"> • Establish campus-wide effort reporting roles, responsibilities and certification process • Provide training and support • Send out reminder e-mails and certification forms three times each fiscal year • Monitor the effort reporting process and track completion of certification • Follow up with department faculty and staff on incomplete or late effort reports
Dean/Chair/Director	Ensure department compliance with effort reporting regulations. Follow up on non-compliance issues and impose consequences, if necessary
Provost	Ensure campus-wide compliance with effort reporting regulations. Follow up on non-compliance issues and impose consequences, if necessary.
Faculty and employees working on federally-funded projects (Project Personnel)	Perform activities as committed in the approved proposal. Certify effort in a timely manner
Principal Investigator/Project Director	Ensure appropriate and accurate effort is reported. Expend effort on project. Certify direct-charged and committed cost-shared effort up to the level of effort committed. Obtain prior approval if absent for more than three consecutive months, or if effort is reduced more than 25% from the budgeted award plan
Office of Sponsored Programs	Review effort reports at the end of each reporting period to ensure reports have been submitted for all federally-funded individuals listed as PI, Co-PI or Key Person

Additional Assistance: For questions or comments please contact OSP@uwosh.edu or 920-424-3215

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