

STANDARD OPERATING PROCEDURE (SOP)

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Title:
Effort and Compensation 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 (i.e. compensation 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 externally-funded activities. UW Oshkosh process is to report effort for all federal and non-federal sources of extramural grant support. 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 as outlined in the original proposal.

Effort expended in support of the project but not paid by the project (cost sharing) is also reportable. Funding agencies 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 under [2 CFR 200.430-Compensation-personal services](#). Failure to meet these requirements puts the University at risk for audit and can result in significant financial penalties.

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. The percent effort for extramural research is accounted for separately from other duties at UW Oshkosh such as teaching, administration, or public service. Sponsored activities (grants, cooperative agreements) 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%-Institutional activities (non-sponsored)

Total=100% effort

1. 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 their contractual salary during this period. One month of summer CAS is equivalent to 1/9th of their base salary (11.11% of base salary). 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. UW Oshkosh OSP utilizes an [Overload and Additional CAS Requests Under External Funding](#) form to make formal requests for CAS above the 2-month cap.

Procedure:

Certification Frequency:

Certification of effort is completed on a semi-annual basis. PIs will have approximately 30 days to complete and return their certifications and those of their grant-supported project staff.

Reporting Periods	Certification forms Available to PI (Approximate)	Certification form Deadline (~30-day turnaround)
July 1-December 31	February 1	March 1
January 1-June 30	August 1	September 1

Precision in Effort Certification

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 five percent of the total 100% effort. If a reasonable estimate of the actual effort is within this range then the certifying individual is permitted to certify the effort report.

Example: An individual's salary is committed at 50% to a sponsored project. 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.

Effort Data Query:

Grants Accountant or financial designee pulls effort and compensation data report from Shared Financial System (SFS) for the reporting period. Data includes all individuals supported by 144 (federal), 133 (non-federal) accounts. Employee effort on one of the above accounts for the target reporting period will trigger a data pull for that employee. Effort for each individual should equal 100% spread across all sponsored and non-sponsored accounts.

1. A query report is generated and downloaded as an Excel document from the Shared Financial System (SFS) following the end of a reporting period following the steps listed below:
 - a. Log in to SFS
 - b. Go to the *Main Menu* screen
 - c. In the dropdown menu, select *Reporting Tools* and select the arrow on the right
 - i. Go to *Query* and select the arrow on the right
 - ii. Go to *Schedule Query*
 - d. In the "Begins with" box, enter "EFF_CERT" for the query name. Click Search
 - e. Enter the Query name "OSH_EFFORT_CERT_PCT_AF_SUM"
 - f. On the "Schedule Query" window enter the dates of the certification period
 - g. Click Run. Then click OK.
 - h. Select "Process Monitor" and select "Refresh" until the run status of your report changes from processing to success
 - i. Once run status is success, select hyperlink of "details" for the query
 - j. Then select "View Log/Trace"
 - k. Select report with largest file size and this will be your query
 - l. Save excel to appropriate effort year folder
2. Once we have the query, we need to link it to the word template by following the steps below:
 - a. The following link is where the final template is UW Oshkosh Office of Sponsored Programs - Documents\Grants\Reporting\Effort Reporting
 - b. In that link you will find the file "Effort Certification Template Final" – IMPORTANT this is the template, do not save over the template
 - c. When you open up the template, it will ask you to select a file to be linked too. Select the query you made above.
 - d. Once selected, do a "save as" and save a copy of this to the appropriate effort year folder
 - e. Once a copy has been saved, exit out of the template without saving over it

Mail Merge:

1. Copy the **ManyToOneMailMerge Ver 17.9** file to your local directory:

C:\Users\ (User Name) \AppData\Roaming\Microsoft\Templates

2. In SFS, run the OSH_EFFORT_CERT_PCT_AF_SUM query to Excel to get your data for the mail merge (see instructions above).
3. In Excel, confirm that the names, dollar amounts, and percentages are in the correct format that you'd like to appear on the mail merge letter. Save the file to your local computer.
4. Open the Effort Certification Template word file.
5. In Word, go to File > Options > Add-Ins, and select Manage: Templates and click Go. Under Global templates and add-ins click Add and select the template from step 1, click OK. The Many to One Mail Merge will now be available as a tab at the top of the page.
6. Click the Mailings tab. Click the Start Mail Merge button, select Letters. Click the Select Recipients button and select Use an Existing List. Select the Excel file from step 3 and click OK when the Select Table window appears.
7. Click the Many to One Mail Merge tab and then click the Start Merge Process button.
8. Click the Acknowledge and Hide this dialog button. A window will appear that reminds you to use a Letter type document, click OK. A window may appear warning you that fields are empty, click Continue.
9. On the Start tab select Merge to Individual Word Files and click Continue.
10. On the Merge tab add the NAME field as the Key Field. Add the FUND, DEPTID, PROJECT, AMOUNT, TOT_SAL_EXP, PCT_TOT_SAL, and SORT fields as Child Fields. Select NAME as the filename field. Click Continue.
11. Select a folder to save the files to. A window will open showing the percentage complete (the process takes about 7 seconds per letter). Once the process is complete, the program will open a window confirming the files have been saved, click OK.

Filtered Manager List:

1. To have a filtered manager list, a pivot table will need to be made from the Query done above
2. Create a pivot table based upon all the data of the query
3. Format the pivot table to have the following:
 - a. Filters of "Fund" and "Manager"
 - b. Row Label of "Employee Name"
4. After pivot table is created, it can now be filtered by its fund and manager which will then result in a listing of all the employees who are supervised by the manager filtered by

Certification Process for PIs:

1. One Effort Certification Report is generated for each PI, Co-PI, and Senior Person supported by the grant.
2. Compensation data for graduate students or post-doc trainees is pulled from hourly timesheets which are posted in WISER and are considered appropriate tracking for these positions.
3. Effort Certification Reports are routed to the Principal Investigator (PI) or Head Start Site Director via DocuSign.
 - a. PIs and Head Start Site Directors are assumed to have the most oversight and knowledge of effort committed by project staff and therefore have the authority to certify effort reports for self and project staff.
4. PI and Head Start Site Directors review reports for self and project staff accordingly:
 - a. PIs review and certify their own effort report by signing the form. PIs also sign effort reports of their supported project staff. Reports for Co-PIs will initially be routed to the main PI named on the award, however, reports may be re-routed to the Co-PI if they have reasonable means.
 - b. 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.
 - c. 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.
5. The PI may certify in the absence of a project staff member (employee has left the University).
6. In certain situations, the Department Chair or Unit Supervisor may be asked to certify an effort report if the PI is no longer at UW Oshkosh.
7. Sign report within 30 days according to the deadline found on the effort reports.

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 documentation. Look for this language of mandatory reporting within the contract or agreement.
5. If the effort of a the PI, Co-PI, or Senior Person is reduced by 25% or greater then sponsor approval must be obtained prior to the change and documented 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](#)
- [Mail Merge Complete Instructions, UW System](#)
- [Overload and Additional CAS Requests Under External Funding](#)

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-21-057.html>

Responsibilities:

Roles	Responsibility
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 by the deadline date set by OSP.
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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