

Wake Forest University Reynolda Campus Effort Certification Policy and Procedures

Background

Certification of effort is a reasonable estimate of an individual's work (effort) performed on various activities and is required pursuant to the Office of Management and Budget Circular A-21 "Cost Principles for Educational Institutions."

Effort reports at Wake Forest University are based on after-the-fact activity records. Effort reports should reflect the distribution of activity expended by employees. These reports will reflect an after-the-fact reporting of the percentage distribution of employees' activities. Charges may be made initially on the basis of estimates made before the services are performed, provided that such charges are promptly adjusted if significant differences are indicated by activity records. For this purpose at Wake Forest University, "significant" means a change, or variance, exceeding 5% above or below an individual's total effort. These changes must be made to comply with some federal sponsor's guidelines. In no case should a sponsored agreement be charged for effort when no work was done during the reporting period.

At Wake Forest University Reynolda Campus, effort certification is required for faculty, exempt staff, and graduate students who are paid, full or in part, by a sponsored project. This means that all, or a percentage, of their pay is charged to a RG account. Certification may also be required for faculty, staff, and students who work on a sponsored project even though they are compensated through university or departmental funds. This means that all or part of their pay is charged to an unrestricted account or a D account (cost share). For bi-weekly paid staff and undergraduate students, the effort certification process is completed through timecard submission and approval.

The effort certification process is a way to verify that salaries and wages charged to a sponsored project are consistent with the effort expended on the sponsored project. If effort is not properly certified, WFU cannot verify that funds were properly expended for salaries and wages expenses. As a result these expenses must be transferred from the sponsored account.

Non-compliance with this effort certification policy could result in unfavorable consequences to the university. In the case of federal audit, errors in effort certification may lead to disallowance of costs charged to sponsored projects, repayment of grant funds, and withdrawal of grant funding by sponsoring agencies.

Definitions

Contributed Effort – effort paid for by WFU; considered cost share, in-kind, or match in support of a sponsored project.

Cost Share – the portion of the total costs of a project not borne by the sponsor; also referred to as match/matching funds.

Effort – the proportion of time spent on a given activity, expressed as a percentage of total activity *Report on Research Compliance Vol. 2, Number 7, p. 4*. Total effort on a sponsored project consists of both paid and unpaid effort. Total activity equals an employee's effort on all activities such as teaching, researching, committee work, etc.

In-kind – see cost share

Institutional Base Salary – Annual salary paid by the University for an employee’s appointment, whether that individual’s time is spent on research, teaching, or other activities. Base salary excludes any consulting income that faculty are permitted to earn outside of their duties for WFU. Base salary may not be increased as a result of receiving funds for salary in a sponsored award.

Mandatory Cost share – cost share that is required by the sponsor, stated in the grant solicitation/guidelines, and included as a condition of an award.

Match – see cost share

Principal Investigator – the WFU employee responsible for overseeing all aspects of a sponsored project. Also called the PI or Project Director.

Significant Variance – a variance of 5% or more above or below an individual’s total effort.

Sponsored Research / Sponsored Project – research or other projects that are sponsored/supported by funding from Federal and non-Federal agencies and organizations.

Voluntary Committed Cost share – cost share that is not required by the sponsor but is shown in the budget and/or included in the proposal.

Voluntary Uncommitted Cost Share – cost share over and above any amount of cost share specified in the budget and/or budget.

The Report

Reports for staff and graduate students are printed twice per year; the reporting periods are January through June and July through December. Faculty have 3 reporting periods: spring semester, summer, and fall semester. Certification of summer effort is required by faculty who are paid summer salary from sponsored project funds; the reporting period for summer is approximately May 16 through August 15.

The employee’s department, name, and ID number are shown in the top left section of the form. The reporting period is shown at the top right. The middle section of the form is divided into columns. The left side displays information related to the funds from which the compensation is paid.

Column 1 – Payroll Percent. This column represents the percent(s) of pay that were expensed to the fund(s) shown to the left. All pay from sponsored “RG” funds will be listed first. The total of this column is always 100%. Payroll percents will be shown to the nearest one hundredth; however, employees are only required to certify effort in whole percents.

Column 2 – Cost Share. Use these columns to report mandatory cost share on sponsored project(s). Cost share is effort paid for by WFU (from unrestricted, departmental operation, or discretionary “D” funds) in support of a sponsored project. This column should total zero.

Column 3 – Certified Effort. This is the total of all effort for each fund from which salary is paid. Certified effort includes the percent of payroll plus or minus any cost share. The total of this column should be 100% and should be reported in whole percents.

Procedures

Effort reports need to be completed for exempt staff and graduate students twice per year, approximately in July and January. Faculty need to complete effort certification three times per year approximately in July, January, and September.

The Office of Research and Sponsored Programs (ORSP) will send pre-printed effort certification forms to Departments in the above stated months. The forms must be reviewed, completed, signed, and returned to ORSP by the date requested, no more than 30 days from the date of receipt. It is important that effort certification is done within the required time frame. Effort reports that are received after the deadline could result in an audit finding on WFU's annual A-133 audit.

All of the information on the form should be reviewed. If an employee or PI is not familiar with the funding information, they can call ORSP for more assistance. If the pre-printed payroll percent(s) do not accurately reflect an employee's payroll percent, a cost transfer may need to be completed. Cost transfers are not needed unless the variance is greater than 5% or the payroll effort. The report should be corrected, signed and set to ORSP.

PI's should be familiar with how much effort they proposed in the proposal(s). In general sponsor approval is needed if this effort changes significantly (by more than 25%).

The employee or reviewer should make sure that the total of columns 1 and 3 is 100%. Effort percentages can be rounded so certification is based on whole percentages. In addition, the total of column 2 should be 0% as all cost share for sponsored projects should be offset by decreases in effort from unrestricted, departmental operation, or discretionary "D" funds. An employee's effort should never be more than 100% regardless of the number of hours he/she worked.

Including effort for voluntary uncommitted cost share is discouraged. If such effort is included it will be subject to review and approval by the Associate Provost for Research.

All changes to the effort certification forms must be made in ink. The use of white-out is not permitted; reviewers should strike through changes and write the correct information in pen. Forms should be signed by the employee and/or the Principal Investigator of the sponsored project(s). Clerical/administrative staff should not sign effort certification forms since they do not have first hand knowledge of scientific work performed by academic/research faculty and staff. All signatures must be originals and in ink. Per signatures and signature stamps are not acceptable.

Responsibilities

ORSP

- develop and implement effort reporting policies and procedures
- assist in development of effort certification process training
- maintain information on mandatory cost share in awards

- assist in obtaining sponsor approval for significant changes in PI effort
- distribute and collect effort reports
- copy effort reports with cost share and send to FAS
- review completed effort reports to ensure
 - only authorized certifying faculty/staff have signed Effort Statements
 - total effort equals 100%
 - cost sharing column totals 0%
 - no cost sharing from federal sponsored projects unless authorized
 - forms are signed and returned within established due dates

FAS Grant Accounting Manager

- assist in development of effort certification process training
- approve salary transfers/redistributions
- maintain information on mandatory cost share in awards
- report cost share to sponsors as required

Payroll Department

- run the effort report job
- proper and timely input of all salary/cost transfer requests

Principal Investigator

- know the amount of mandatory cost share required for their grants
- notify ORSP about significant changes in proposed effort (changes of 25% or more)
- ensure appropriateness and accuracy of effort expended on sponsored project(s)
- ensure compliance with effort reporting policies and procedures
- expend effort on project(s)
- certify direct-charged and committed cost-shared effort up to the effort level committed

Research Employees (staff and students)

- certify effort on a timely basis
- communicate issues or errors to PI/supervisor and/or ORSP

Associate Provost for Research:

- review and approve all cost shared effort reported on effort reports

References

OMB Circular A-21 "Cost Principles for Educational Institutions"
<http://www.whitehouse.gov/omb/circulars/a021/a021.html>

Frequently Asked Questions

Q. How should I make changes to my effort report?

A. Changes should be made by striking out the pre-printed percent, writing the correct percent, and putting your initials and the date next to the change. All changes should be made in ink; the use of white-out is not permitted.

Q. I did not receive an effort report for one of my employees, what should I do?

A. If the person is a bi-weekly paid employee or undergraduate student no effort report is printed. In addition, effort reports are automatically printed for PI's or employees paid by sponsored project funds only. If an employee's pay should have been paid from sponsored project funds and wasn't, please contact Human Resources. If an employee's effort needs to be documented as cost share or match on a grant, please contact ORSP.

Q. Where does the information on my effort report come from?

A. The preprinted form is generated in COGNOS and comes directly from the Banner HR system. The percentages are based on where your pay is being expensed (ex. your department, an RG#, etc.).

Q. I work more than 40 hours per week, is my effort more than 100%?

A. No, your effort should never be more than 100%. Add up all your various activities for the reporting period and calculate a percent of effort for each.

Q. The percentage shown in Column 1 is less than the effort I spent on that sponsored project, what should I do?

A. This effort should be shown in Cost Share column (3).

Q. The percentage shown in Column 1 is different the effort I spent on that sponsored project, the difference is less than 5%. Are payroll adjustments required for variances less than 5%?

A. No. At Wake Forest University, variances of 5% or less are not significant and do not require adjustments to the payroll.

Q. The payroll percentages are calculated to the nearest one hundredth. Must I certify my time to the nearest one hundredth?

A. No. Certification of effort can be made to the nearest whole percent.

Q. Why don't I receive effort certification forms for undergraduate students or bi-weekly paid employees working on my sponsored project?

A. The effort certification process for undergraduate students and bi-weekly paid employees occurs when they complete and submit their time card. Undergraduate students and bi-weekly paid employees have a different time card for each fund from which they are paid.