Effort Certification and Cost Sharing

Presented by:
Kim Small
Anke Moore
Sponsored Programs Services

Recording date of this workshop is December 9, 2016
Some of the rules and procedures discussed in this workshop are subject to change.
Please check university resources (BPPM) before relying exclusively on this recorded presentation.

Sponsored Programs Services
- Phone: 335-2058
- E-mail: sps@wsu.edu
- www.sps.wsu.edu
Course Objectives and Goals

- Establish what Effort Certification is and why it is necessary
- Instructions for filling out an Effort Certification Report (ECR)
- Helpful and Useful Information about Effort Certification
- Examples/Details/Q&A - ECR

Course Objectives and Goals (Continued)

- What is Cost Sharing and how is it reported?
- Helpful and Useful Information about Cost Sharing
- Examples/Details/Q&A – Cost Sharing

What Is Effort Certification?
Effort certification is "after the fact" reporting of how a specified employees' time was spent and paid during a certain period.
The Effort Process

- It all starts with the award and/or proposal, and the inclusion of Cost Share and Effort
- A CSEIR form is filled out and entered into the Effort system so that Effort Certs will be printed and the effort can be certified.
- The effort certs are printed 4 times a year. Once for each semester; fall, spring and 2 summer sessions.
- If the departments need a reprint for any reason we print reprints each month.
- Remember your reprint order needs to be at SPS by the 7th of each month.
- Effort Certs will be sent to the Department Administrator for the budget.
- When received by SPS it will be sorted by cost share and non cost share.
- Certified if possible if not it will be send back with Memo

Who Receives An ECR?

- Those whose salaries are charged directly to sponsored agreements. (Programs 11-14)
- Those who contribute effort for cost sharing purposes (See BPPM 40.36)
- Those whose salaries are charged to programs 09,10,15-18.
- Even those whose earnings include federal appropriation monies (fund 143).

Effort Cert exceptions

- Effort Certification Reports are not required for employees who devote 100 percent of their effort to departmental administration and are completely supported by accounts in programs 01-08.
- Cost sharing on or off Effort Certs with federal appropriation monies (fund 143).
**Why Do We Certify Effort?**

Required by the Uniform Guidance, 200.306

http://www.ecfr.gov/cgi-bin/text-idx?node=2:1.1.2.2.1

- Employee/Supervisor/Responsible Official confirm that compensated activities represents reasonable estimate of effort performed.
- Effort devoted to a sponsored agreement but not expended on that agreement is shown as cost sharing.

**What does it mean when we say effort devoted to a sponsored agreement but not expended on that agreement as cost sharing.**

- If the effort (contributed salary) is on a sponsored agreement but was not expensed on the sponsored agreement should be entered as cost sharing.
- This would be in the form of a manual entry.

**How Do We Certify Effort?**

- Designated employees are provided an “Effort Certification Report” (ECR) generated by Sponsored Programs Services.
- The ECR shows how the employee was paid during a particular period. (Section C)
- The employee/supervisor reviews the funding and enters percentages, as necessary, to report actual effort applied to activities as well as cost sharing.
Tools for Finding Your Way in a Sea of Certs

Completing an Effort Certification Report
   - Step by Step -
   Refer to Packet A

Helpful Information About Effort Certification Reporting
   Refer to Packet B
Effort Certification Reports
SPECIFIC EXAMPLES
Refer to Packet C
- ECR Examples -

You may also refer to:
WSU Business Policies and Procedure Manual
– Section 40.35

What Is Cost Sharing?

• The portion of a project or program not borne by the sponsor.
• This could be “real expense” or volunteer in-kind
• Includes all categories – salaries, wages, benefits, goods/services, F&A, etc.
• Could involve third party sources.

Why Cost Share?

• Mandatory Cost share - required by sponsor
• Voluntary Committed Cost share
  - Not required by sponsor, but PI feels it will make proposal look better if included
  - If PI has been in contact with sponsor by letter, e-mail, phone, etc and made reference to contributions
• Voluntary Uncommitted - PI might want a true history of contributions for future proposal work up
Documentation required to process cost share for 3rd party participation

• Should have a certified letter
• Non-grant covered goods and travel should be tracked in separated account and reported on the proper forms
• Waived F&A is calculated and applied by SPS

What is Match Reporting and its Pitfalls of Match Reporting

• Often, it is appropriate for the institution to share in the cost of conducting an externally funded grant or contract or to provide matching funds. Cost sharing and matching are considered synonymous.

• Pitfalls of Cost Sharing/Matching
  • Cost sharing is a cost to the University
  • Cost sharing has an impact on the negotiation F&A rate
  • Administrative burden of tracking and recording the match
  • Timely information is critical in reporting so that we can receive the revenue or submit the invoice on the grant.
  • Effort reporting / cost share time periods don’t coincide well with the grant reporting requirements - causing additional work and explanations.

Where Do I Find Cost Sharing Commitments?

• In the proposal – voluntary committed
  - Directly: indicated in budget
  - Indirectly: expressed or implied in text of proposal

• In the Award - mandatory
  - Agency notes specific amount/requirement
  - Agency does not note specific amount but has reference indicating the proposal is part of the award and the proposal includes direct or indirect commitments
What Funds Can Be Used To Cost Share?

• Toward Federal awards – cost sharing may come from state sources or private sources.
  - May not use another Federal award unless approved by Federal statute.
  - We can not use Federal appropriations (Fund 143)

• Toward other awards – see specific agency regulations. May not use a federal award or appropriation.

Additional Cost Sharing Information

Normally, Administrative and Clerical Staff salaries are treated as Facilities and Administrative costs and not direct charged or cost shared to a sponsored agreement.

If a concern exists regarding cost sharing an employee, review the following information:

Additional Cost Sharing Info – cont.

• Does the agency-approved budget specifically include Departmental Administration and/or Clerical personnel?

• Is there a specific reference to matching with Departmental Administration/Clerical personnel in the award?
  - Any administration/clerical position not meeting these criteria is generally ineligible to be direct charged or cost shared to a sponsored agreement.

Reference: UG – Treatment of Administrative and Clerical Salaries
Cost Sharing Effort Inquiry Request Form (CSEIR)

• This form is sent to the department contact after the account is set up by SPS.
• Additional forms will be sent for any amendments and/or addenda that would change the matching obligation.
• It is necessary to submit a CSEIR for an employee to be added to the Cost Sharing Participation System

Refer to Attachment 1a & 1b

Why do we Cost Share on home and on subaccounts

• If the Cost Share is for 1 department and only with few accounts we Cost Share on the home account for tracking and reporting
• If it the Cost Share spans through multiple departments and multiple subaccounts we report on the subaccounts
• Please call and ask if there are any question concerning the Cost Share on specific accounts.

How Do I Report Cost Sharing?

• WSU Employee Salaries: Included on an Effort Certification Report in Sections E and A.
  • Section G: Enter Earned Distribution Account from Section C, being used toward Cost Sharing, along with the percentage. Section G total percentage must equal the total of Section E.
• Other: Reported via memo, including pertinent documentation and detail, to Sponsored Programs Services, on a regular basis. Please number your memo sequentially per each award.

Refer to Attachment 2a & 2b
Manual Cost Share Entries

- Send a memo to SPS to report cost share from wages, goods and services, travel and equipment.
- SPS will process cost share provided by subcontractors with their invoices when the approved invoices are returned to SPS for processing.
- SPS will also process cost share provided by waived F&A.

Cost Share Provided by Another Award

- If cost share is being provided by another award and the account has a MAT code, no manual entries are required.

Tracking

- Cost Sharing obligations and amounts reported to date can be found in the BALANCES System.
- Go to Main Menu
- Bottom of screen shows PF7 for Cost Share Screens
- The Effort and Cost Share systems are updated on a nightly basis.

Refer to Attachment 3
Cost Sharing Questions?

If you attended this live training session and wish to have your attendance documented in your training history, please notify Human Resource Services within 24 hours of today’s date:
hrstraining@wsu.edu

This has been a WSU Training Videoconference

If you attended this live training session and wish to have your attendance documented in your training history, please notify Human Resource Services within 24 hours of today’s date:
hrstraining@wsu.edu