

WASHINGTON STATE UNIVERSITY

Effort Certification and Cost Sharing

Presented by:
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Sponsored Programs Services

Revised October 2017

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Recording date of this workshop is
November 9th, 2017

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.

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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 – Effort Certification

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 certain employees time was spent and paid during a certain period

The Effort Process

- Effort Certs are printed (4) times a year. Once for each semester as well as (2) summer sessions.
 - Spring: 01/01/17 - 05/15/17
 - Summer: 05/16/17 - 06/30/17
 - Summer: 07/01/17 - 08/15/17
 - Fall: 08/16/17 - 12/31/17
- Each of the above batches are printed after the first payroll has ran after the period has ended.
 - Example: The fall period batch will print after payroll has processed on January 10th, 2018.
- If a department needs a re-print for any reason, we print them each month around the 10th.
 - Remember your re-print order needs to be received by SPS by the 7th of each month.
 - To request a re-print, please e-mail spis@wsu.edu
- Effort Certs are sent to the department listed on the report unless the department instructs us otherwise.
- For re-prints, we prefer to send them to a specific person to reduce the chance of it being lost.

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 earnings include federal appropriation monies (fund 143).
- 28 year system purge...hopefully this will stop the unnecessary reports

Why Do We Certify Effort?

Required by the Uniform Guidance, 2 CFR Part 200

- As a condition to receive federal funding, institutions must maintain records that are supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated.
- In compliance with this requirement, the university has established a system for reporting the percentage of time (i.e., effort) that employees devote to federally sponsored projects.
- The university has chosen to apply this standard to all sponsors.

**Why Do We Certify Effort?
(Continued)**

- The university's effort reporting system assures external sponsors that funds are properly expended for the salaries of those individuals working on the projects they sponsor.
- It provides the principal means for certifying that the salaries charged to sponsored projects are consistent with the effort contributed.
- All employees involved in certifying effort must understand that severe penalties and funding disallowances could result from inaccurate, incomplete, or untimely effort reporting.

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Completing an Effort Certification Report

If department is incorrect, please cross off and write in correct department so we can change in EFFORT system

Subtotal of A plus subtotal of B must equal 100%

Be sure to mark whether cost sharing was ON or OFF campus



The screenshot shows a form with several sections. Red arrows point from the text on the left to the 'Department' field and the 'Subtotal of A' field. Another red arrow points from the text on the right to the 'Cost Sharing' field. The form includes a table for 'Effort Certification Report' with columns for 'Department', 'Effort Type', 'Percentage', and 'Subtotal'. There are also sections for 'Signature Required' and 'Comments'.



The screenshot shows a completed Effort Certification Report form. The table has columns for 'Department', 'Effort Type', 'Percentage', and 'Subtotal'. The 'Subtotal' column shows values of 50.0 and 20.0, which sum to 70.0. The 'Signature Required' section is at the bottom, with a signature and date '11/7/17'.



The screenshot shows a completed Effort Certification Report form. The table has columns for 'Department', 'Effort Type', 'Percentage', and 'Subtotal'. The 'Subtotal' column shows values of 50.0 and 20.0, which sum to 70.0. The 'Signature Required' section is at the bottom, with a signature and date '11/7/17'.

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EFFORT CERTIFICATION REPORT

RECEIVED
OCT 4 2017

SECTION 1: SIGNATURE REQUIRED

Washington State University
Sponsored Programs Services
240 French Administration Building
Pullman, WA 99164-3125
eMail: sp@wsu.edu

MEMORANDUM

TO: School of Electrical Engineering and Computer Science

FROM: SPI Sponsored Programs

DATE: 09/20/2017

RE: Incomplete Effort Certification Report(s)

We are returning the attached Effort Certification Report(s) for completion for the following reason(s):

- The Effort Certification Report was returned unassigned.
- The effort certified does not agree with payroll records for the period certified, as a result of retroactive payroll change processed after this report was issued. (See attachments). Make account changes to all sections involved, including Section C.
- The totals of Section A plus Section B do not equal 100%.
- Section A is incomplete.
- The Effort Certification has a split budget for earnings and must be approved and signed by departmental administrators with expenditure authority for each budget (see RPPM 40.31).
- Please follow the instructions attached to the Effort Certification form.
- Section G is incomplete. What account(s) (Section C) did the Cost Share (See E) come from?
- Other:

If you have any questions, please call me at 335-2009.

Thank You
Jack Gray

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EFFORT CERTIFICATION REPORT

RECEIVED
SEP 11 2017

RECEIVED
OCT 11 2017

SECTION 1: SIGNATURE REQUIRED

SECTION 2: BUDGET ACCOUNTS

SECTION & CLASSIFICATION	BUDGET	AMOUNT	PERCENT
GENERAL ADMINISTRATION	10 000 400	100.00	100.00
PROFESSOR	10 000 400	100.00	100.00
GRANT/CONTRACT	10 000 400	100.00	100.00
STUDENT	10 000 400	100.00	100.00
RESEARCH	10 000 400	100.00	100.00
TECHNICAL STAFF	10 000 400	100.00	100.00
OTHER	10 000 400	100.00	100.00
TOTAL	10 000 400	100.00	100.00

RECEIVED
OCT 11 2017

 **What Is Cost Sharing?**

- Cost Sharing represents the sponsored project or program costs (direct and indirect) that would normally be borne by a sponsor but instead are covered by the university or a third party, such as a subcontractor or an unfunded collaborator.

 **Why Cost Share?**

- **Mandatory Cost Sharing:**
 - Cost sharing required by the sponsor as a condition of eligibility for an award. Must be properly documented and tracked for compliance purposes.
- **Voluntary Committed Cost Sharing:**
 - Cost sharing not required by sponsor but provided at the discretion of the institution. Must be properly documented and tracked for compliance purposes.
- **Voluntary Uncommitted Cost Sharing:**
 - Cost sharing not required by the relevant program solicitation, not referenced in proposal or award, and not formally tracked or auditable.

Pitfalls of Cost Sharing/Matching

- Cost sharing is a cost to the university
- Cost sharing has negative effects on the F&A rate
- Administrative burden of tracking and recording the match

 **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.
 - Can NOT use federal appropriations (fund 143).
- **Toward Other Awards:**
 - See specific agency regulations.
 - May NOT use a federal award or appropriation.

 **Cost Sharing Effort Inquiry Request Form (CSEIR)**

- This form is sent to the department contact after the account is set up by SPS
- It is necessary to submit a CSEIR for an employee to be added to the Cost Sharing Participation System
 - Also allows cost share account to be pre-printed on effort certification reports

 **How Do I Report Cost Sharing?**

- **WSU Employee Salaries and Benefits:**
 - Included on effort certification reports in sections E and A
 - Section G: Enter earned distribution account from Section C being used toward cost sharing. Section G total percentage must equal the total of Section E.
- **Other:**
 - Reported via memo including pertinent documentation and detail to Sponsored Programs Services.

Manual Cost Share Entries

- Send a memo to SPS to report cost share from wages, goods and services, travel, equipment, tuition waivers, etc.
 - Include documentation that shows transactional details
- SPS will process cost share provided by subcontractors with their invoices when the approved invoices are returned to SPS
- SPS will also process cost share provided by waived F&A.

Third Party Cost Share Documentation Required

- **Letter from donor including:**
 - Dollar amount (or value for in-kind)
 - Time period during which the match was provided
 - Signed by an authorized individual from donor
- **Cover memo from department including:**
 - Budget/project number of cost share account
 - Supporting documentation (if necessary)
 - Prepared by PI or authority on account

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 EXTENSION INSURANCE PROGRAMS

DATE: July 26, 2017
 TO: Sponsored Program Services
 FROM: Manager, Community and Business Program
 SUBJECT: Match Documentation for Project: [REDACTED]
 PROJECT NAME: [REDACTED]

Attached, please find these documents to be reported as Cost Share against the above referenced account.

WSU Account Providing Match:

<input type="checkbox"/> Screen print	City 80	City 61	City 61	\$2,808.85
	City 84	City 84	City 67	\$2,895.91
	City 13	\$999.28	City 13	

Third Party Match Provided By:

<input type="checkbox"/> Third Party	City 80	City 61	City 61	
	City 84	City 84	City 67	
	City 13	City 13		

Other Match Provided By:

<input type="checkbox"/> Other				
--------------------------------	--	--	--	--

Total match documentation file report: \$3,808.14

NOTE: Screen prints provided include staff charges that were not part of the match documented. This is to record the 50 and leave pool charges for the effort certifications submitted to SP.

Tracking

- Cost sharing obligations and amounts reported to date can be found in the BALANCES system
- Go to main menu
- Press F7 key for cost share screen
 - You can then search by account or by ID#
- The effort and cost share systems are updated each night

Additional Cost Sharing Information

- **Employee salaries and benefits MUST be entered on effort certification report unless older than (2) years**
 - If ECR already certified, you can request a re-print so that we can re-certify with cost share.
 - If more than two years out, a manual cost share entry will need to be processed.





Cost Share Roundtable Questions – November 9th, 2017

Gerik Kimble and Josh Graisy

1. Which of the following is an example of voluntary committed cost sharing?

- A: A sponsor requires the University to participate in the cost of a research project
- B: The University offers to participate in the cost of a research project but is not required to do so
- C: The University is not required to participate in the cost of a research project
- D: None of the above

2. Providing documentation for mandatory cost sharing is required. Is this also true for voluntary committed cost sharing?

- A: Yes
- B: No

3. Which of the following is generally not acceptable as a source of cost sharing?

- A: Tuition waiver
- B: Office supplies
- C: Faculty salaries
- D: A and B

4. Which of the following is a valid reason to avoid cost sharing?

- A: Has negative effects on the F&A rate
- B: Cost share may not be necessary or is not required
- C: Burdensome on administration
- D: All of the above.

5. Does voluntary uncommitted cost sharing have to be recorded, monitored, and verified?

- A: Yes
- B: No

6. Which of the following is an example of an unallowable cost share expenditure?

- A: Salaries over the salary cap
- B: The purchase of equipment outside the period of performance of the award.
- C: Purchases already matched on another federally sponsored agreement
- D: All of the above.

7. Which of the following is an example of mandatory cost sharing?

- A: Cost sharing required by the program solicitation
- B: The program officer indicates that university contributions will be considered in reviewing the proposal
- C: Cost sharing included in the proposal is not allowed and will cause immediate rejection without review
- D: None of the above

8. What is the proper method for documenting 3rd party match?

- A: A Commitment Letter
- B: The PI's word
- C: An email from the 3rd party contributor documenting the service provided.
- D: A letter from the 3rd party contributor signed by an authorized designee that documents the services provided.

9. Which organization specifically disallows voluntary cost sharing?

- A: National Institutes of Health
- B: US Department of Commerce
- C: National Science Foundation
- D: US Department of Education

10. If we propose 10% effort for our lead researcher and he\she actually contributes 20% to the project, of which, we only charge 10% to the sponsor, are we required to track the 10% as cost share?

- A: Yes
- B: No

11. Can resources, such as laboratory space, office machines, etc. be cost shared?

- A: Yes
- B: No

12. Which of the following statements from a proposal would not be considered a cost share commitment?

A: The PI will dedicate 10% of his time toward the project.

B: The research will be conducted on Aunt Patty's Farms' land normally leased at \$5K a month.

C: The research will be conducted in the PI's lab space. WSU already has all of the equipment necessary to complete the work documented in the scope.

D: All of the above are considered voluntary cost share commitments.

13. Which is the best method for recording cost share documentation from a subawardee?

A: The subawardee should include a cost sharing section on their signed and certified invoices.

B: The PI should request cost share information to accompany the subawardee's performance reports.

C: Record the cost share documentation based on the budget

D: All of the above.

14. Proposing budget items as cost share that are unallowable as direct costs is acceptable in most cases.

A: True

B: False

15. Who is responsible for identifying and documenting all cost share obligations in the proposal and obtaining institutional approval of these commitment(s)?

A: The PI and Department

B: The Authorized Institutional Official

C: Dean

D: All of the above

16. The university could be held responsible for failing to meet which of the following types of cost share?

A: Mandatory Cost Share

B: Voluntary Uncommitted Cost Share

C: Voluntary Committed Cost Share

D: Both A and C

17. If a federal sponsor requires mandatory cost share as a part of the program announcement, can we always include any applicable F&A waived in meeting our obligation?

A: Yes

B: No

18. In determining the allowability of a cost share expenditure on a federal grant, the grant administrator should consider which of the following?

A: Is it allocable?

B: Is it reasonable?

C: Is it consistently treated?

D: All of the above

19. Donated equipment CAN be a source of cost share if sponsor has approved.

A: True

B: False

20. At what value should donated supplies be reported if the sponsor allows this type of cost sharing?

A: The purchase price

B: The current fair market value

C: An appraised value by the Principle Investigator

D: None of the above

21. What statements in a proposal below commit cost share?

A: University will provide \$5,000 in equipment match

B: Available for use by the project valued at \$50 per service

C: Our collaborator will contribute land valued at \$4K

D: All of the above

22. Cost share records have different retention periods than of expenditures directly charged to grants.

A: True

B: False

23. A grant administrator's time is allowable as cost share on sponsored projects that have mandatory cost share to offset the administrative burden (not a "major project" as defined by A-21, Section K, Exhibit C).

A: True

B: False

24. If a PI has an NIH grant and is over the salary cap, are you required to track the difference as cost share?

A: Yes

B: No

25. If you budget a PI for 2 months of salary on a federal award, yet he was paid only 1 month salary from the grant, how would you treat the remaining month of salary?

A: It should be treated as voluntary committed cost share and should be tracked through the effort system.

B: It should be treated as voluntary uncommitted cost share and should be tracked through the effort system.

C: It should be treated as voluntary uncommitted cost share and does not need to be tracked

D: It is not considered cost share therefore should not be tracked.

26. Is voluntary committed cost share subject to an audit?

A: No

B: Yes

27. What is not an example of cost share on a project which is not considered under OMB A-21, Section K, Exhibit C, to be a "Major Project"?

A: Research faculty voluntary committed salaries and benefits

B: Equipment purchased with state funds

C: Salary of office staff that purchase research supplies

D: Associated F&A on allowable cost share commitments

28. Can a faculty member account for the hours worked above the standard 40 hours per week as cost share?

A: No

B: Yes

29. Which of the following can be sources of cost share?

A: University funds

B: Unrecovered Facilities and Administration (F&A) costs

C: Third party contributions

D: All of the above

30. Which of the following types of costs are allowable for cost share?

- A: Items normally treated as indirect (F&A), such as department administration, space, utilities, library resources
- B: Specific unallowable costs
- C: Documented and certified sub-recipient cost sharing
- D: Items cost shared on other projects

31. Should cost overruns that consist of allowable costs that occurred because there were not sufficient funds awarded be treated as cost sharing?

- A: No
- B: Yes

32. Which term refers to cost sharing?

- A: Contributed
- B: In-kind
- C: Cash
- D: All of the above

33. Cost shared expenses must meet the same standards that apply to costs that are directly charged to a project.

- A: True
- B: False

34. Donated or volunteer services may be furnished to an institution by professional and technical personnel, consultants, and other skilled and unskilled labor. The value of these services is not reimbursable either as a direct or F&A cost. However, the value of donated services may be used to meet cost sharing or matching requirements.

- A: True
- B: False

35. Unrecovered indirect costs may be included as part of cost sharing or matching without the prior approval of the Federal awarding agency.

- A: True
- B: False

36. Cost sharing expenditures must be in compliance with?

- A: RFP/Solicitation Requirements
- B: OMB A-21
- C: OMB A-110
- D: All of the above

37. Cost sharing can be in all of the following forms, EXCEPT:

- A: Cash contributions
- B: Third party in-kind contributions
- C: Funding from another sponsoring agency
- D: Educational discounts

38. Which of the following would be appropriate to utilize as cost sharing?

- A: Include items already reported as costs sharing on another federal award
- B: Include expenditures for administrative support
- C: Include expenditures for office supplies
- D: Include items utilized for the project which were funded by contributions

39. Which of the following is an appropriate cost sharing expenditure?

- A: 20% Educational discount on equipment purchase order
- B: Utilization of existing space in the chemistry lab
- C: Volunteer services valued at rates consistent with those paid in recipient's organization
- D: Related PI effort which was funded by another federal award

40. Which of the following would NOT be allowable as cost sharing?

- A: Equipment required for the project
- B: Office supplies to be used on the project
- C: PI Effort
- D: Lab supplies to be used on the project

41. Mandatory cost sharing is NOT:

- A: Required to be documented and reported
- B: A condition of the award
- C: Cost sharing specifically pledged in the award documents
- D: Costs over and above that which is committed and budgeted

42. All of the following are allowable as cost sharing except:

- A: Equipment
- B: PI Effort
- C: Unrecovered indirect costs
- D: Cost overruns on unrelated sponsored projects

43. Cost share is automatically waived if a University cannot meet the cost sharing commitment as originally proposed?

- A: True
- B: False

44. Costs incurred before or after the period of performance of a sponsored award may be used as cost share?

- A: True
- B: False

45. What kind of documentation is generally needed for third party contributions?

- A: An email stating cost share has been met.
- B: Third party cost share contributors do not need to provide documentation.
- C: A letter signed and certified by authorized representative/s of the organization which includes time period of the contribution, details of cost shared expenses, with fair market value of equipment, names and titles of personnel, number of hours worked, pay rate, etc.
- D: A letter from the University's lead principal investigator on the project vouching the cost share has been met.

46. Can University resources, such as laboratory space, office machines, etc. be cost shared?

- A: Yes
- B: No

47. A faculty member can't function without their administrative assistant. Can the assistant's salary be used as cost share?

A: Yes

B: No

48. Can a discount be cost shared?

A: True

B: False

49. From OMB A-110, Cost Sharing or Matching section, which is INCORRECT?

A: Are verifiable from the recipient's records.

B: Are included as contributions for any other federally-assisted project or program.

C: Are necessary and reasonable for proper and efficient accomplishment of project or program objectives.

D: Are allowable under the applicable cost principles.

50. How does unrecovered F&A get applied to a grants cost share?

A: PI initiates it with granting agency.

B: PI initiates it with the University granting office.

C: University's post-award office initiates and processes all unrecovered F&A and applies to grant.

D: Granting agency initiates it with the University