

Overview

- The federal government requires institutions that receive federal funding to conduct an annual effort certification process
- Effort certification is a self-attestation of an employee's University activities for a stated time period
 - Proportional distribution of 100% of employee's University effort
 - Includes all activities
 - Reasonably reflects effort
 - Percentage of time, not hours

Why Certify?

- Federal Compliance – OMB Circular A-21, Section J.10.c. (1) (e) -(f)
 - Plan Confirmation: At least annually a statement will be signed...using suitable means of verification that the work was performed, stating that salaries and wages charged to sponsored agreements as direct charges, and to residual, F&A cost or other categories are reasonable in relation to work performed
 - The system will provide for independent internal evaluation to ensure the system's integrity and compliance with the above standards
- Federal agencies have accountability to Congress and to the public for the use of public funds
 - Effort Certification provides documentation that demonstrates accountability for the use of those funds
 - Compensation typically represents about two-thirds of a University's annual expenses

Which Employees Must Certify?

- All employees who have effort allocated to:
 - One or more sponsored project; or
 - Cost sharing related to a sponsored activity; or
 - More than one functional activity; e.g.:
 - Instruction and Administration
 - Department Research and Instruction
 - Patient Care and Instruction
 - Administration and Plant Operation & Maintenance
 - Services that affect Medicare cost reports (health system)

Timing and Method of Certifying

Who Certifies?	How are Reports Generated?	What is the certification time period?	When are reports due?
Faculty & Staff	Wolverine Access – Self Service, Employee Business	July 1 – June 30	August 15
Graduate Student Employees (GSRA, GSI, GSSA)	Wolverine Access – Self Service, Employee Business	Jan 1 – April 30 May 1 – August 31 September 1 – December 31	April 30 August 31 December 31
Recertify	Wolverine Access – Self Service, Employee Business	As necessary	At time error discovered
Employees that terminate or are laid off from U-M	Administrator (As Needed Process)	As necessary	At time of termination or lay-off status
Temporary employees	Each Payroll Time Report	N/A	Payroll Cut-off
Non-Instructional Sponsored Pool	Each Payroll Time Report	N/A	Payroll Cut-off

Online Certification Via Wolverine Access

- Employees can easily complete the online certification process in a few minutes by following these directions:
 - Connect to Wolverine Access (at lower left on the U-M home page: <http://www.umich.edu>)
 - Select EMPLOYEE BUSINESS
 - Log in with your unqname and Kerberos password
 - In the folder EMPLOYMENT INFORMATION, select EFFORT CERTIFICATION
 - Select FY10-11 (for fiscal year 2011)
 - Read the educational material and answer the three questions
 - Click COMPLETE to move to the next screen
 - If your report reasonably reflects your effort for the time specified, click YES to move to the next screen. If you agree with the statement, click OK to submit your report. You have now certified your effort for the specified period. Click RETURN. Notice that the screen now reads: CERTIFIED FY10-11
 - If you are not sure if your report reasonably reflects your effort, click NO. Please add text to the e-mail stating your concerns and click SEND. The system will automatically create an e-mail to your administrator who will contact you to assist with the certification process.
 - Log out completely

Online Certification Via Wolverine Access

- ONLY in extenuating circumstances can an Alternate certify on behalf of an employee
 - This requires prior approval required from Cost Reimbursement
 - Email Cost.Reimbursement.Office@umich.edu
 - Provide the following information:
 1. Certifier's name and employee ID
 2. Administrative Department ID
 3. Name of proposed alternate signer and relationship to certifier
 4. Reason alternate has suitable means of verifying that the employee performed their work
 5. Reason certifier not available for signature
 6. Certification period
 7. If applicable: date of termination, RIF or LOA

Monitor Status

- Access department effort certification status reports through Wolverine Access as follows:
 - Connect to Wolverine Access (at lower left on the U-M home page: umich.edu)
 - Select UNIVERSITY BUSINESS
 - Select M-PATHWAYS STUDENT ADMIN AND HUMAN RESOURCE MANAGEMENT SYSTEM
 - Log in with your unickname, Kerberos password, and MToken
 - In the folder WORKFORCE ADMINISTRATION, select WORKFORCE REPORTS, then EFFORT CERTIFICATION STATUS
 - Create a Run Control ID if necessary, otherwise choose SEARCH (don't leave spaces in Run Control ID name)
 - You should reach a screen with a tab at the upper left for EFFORT CERTIFICATION STATUS
 - Click on the magnifying glass to the right of the FISCAL YEAR/TERM box
 - Select LOOKUP, then select 2011 (for FY 2011) from the items listed
 - Enter criteria. (You can run a report by Org Group Code, department ID, or individual employee ID – whatever is appropriate.) Choose one radio button at lower left: Certified, Not Certified, or Needs Re-certifying. Then click the RUN TO WINDOW button on the top right hand side of the screen and wait for the report to appear.
 - Click the RUN TO WINDOW button on the top right-hand side of the screen and wait for the report to appear.

Monitor Status (continued)

- Terminated or retired employees cannot currently certify effort online
 - If there are terminated or retired employees on your department's "Not Certified" or "Need Re-certifying" reports, you will need to create an "As Needed Effort Certification Report" for them through Wolverine Access, obtain signature, and send to Cost Reimbursement
- Effort reporting is part of the employment process internal control matrix and gap analysis and, accordingly, is part of the annual unit certification

Unit Administrator Best Practices

- Unit administrators are an important part of the internal controls process for effort reporting and certification
- Throughout the year:
 - Process appointment and DBE changes in a timely manner throughout the year ... as soon as they are known
 - Work collaboratively when you share joint appointments
 - Perform monthly reconciliations
 - Educate and assist certifiers in your unit
 - Be a resource to your department and your peers
 - Review certification status as part of the off-boarding process
 - Run As Needed Reports when employees terminate, if necessary
 - Monitor status
 - Contact us if you need assistance

Federal Focus

- If effort is not certified in a timely and accurate manner, the University could be subject to financial penalties
- Financial penalties have been imposed on peer institutions for effort reporting issues
 - \$11.5 M – Florida International University
 - \$ 6.5 M – Mayo Clinic
 - \$ 5.5 M – Northwestern University
 - \$ 2.6 M – Johns Hopkins
 - \$ 3.3 M – Harvard
 - \$ 3.3 M – Univ. of Alabama Birmingham
 - \$ 2.5 M – University of Connecticut
 - And the list continues to grow!

Looking Forward

- Effort reporting continues to be a federal focal point
 - Effort reporting is part of the employment process internal control matrix and gap analysis and is part of the annual unit certification
- Would like to:
 - Make monitoring of effort status via Wolverine Access easier
 - Continue to enhance internal controls
 - Meet with individual units to identify opportunities to improve the process and its supporting resources
- In process of filling key positions in Financial Operations' Cost Reimbursement and External Financial Reporting areas
- FY 2013 is base year for the University' s next F&A rate proposal

Reference

- Effort Reporting Policy and Procedures:
<https://www.finops.umich.edu/programs/effortrptg?auth=true>
- Internal Control Matrixes and Written Procedure Templates:
<https://www.finance.umich.edu/controls/tools>
- Effort Reporting Standard Practice Guide:
<http://spg.umich.edu/pdf/501.10.pdf>
- Retroactive Salary Distribution Changes Standard Practice Guide:
<http://spg.umich.edu/pdf/501.09.pdf>
- OMB Circular A-21 (2 CFR Part 220):
<http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr;sid=8781d89c86a6ec5707681021431cd6de;rgn=div5;view=text;node=2%3A1.1.2.10.4;idno=2;cc=ecfr>

Additional Information

- ITS Service Center can assist with system access questions or technical issues about the online certification tool
 - 4-HELP (734-764-4357) or 4help@umich.edu
- For questions about effort certification, contact Financial Operations' Cost Reimbursement Office
 - Cost.Reimbursement.Office@umich.edu
 - Mary Gauthier at 734-763-0522
- For questions about appointments, contact Human Resource Records and Information Services (HRRIS)
 - hrris.info@umich.edu