Effort Planning and Confirmation

2015

Division of Financial Affairs

Overview

- For FY15, using the same process as last year
  - Using a plan confirmation process
  - Plan data is from the Longview BMT
  - Preliminary Reports will be distributed through April 30th instead of May 31st.
- PIs received on-line training on effort concepts.
  - Over 75% of active PIs have completed training
  - New awards will not be released for those PIs who are more than 1 year delinquent on this training requirement.

Frequently raised concerns

- Everyone:
  - Certification must represent actual effort, not budgeted effort.
  - Breaks in certification
  - Total commitment
  - All of a person’s compensated activities, including teaching, committee memberships, administrative duties, etc. cannot exceed 100% and must be factored into the overall allocation of time.
  - Individuals must know the project on which they are working and from what funds they are paid.
More Concerns
Faculty and/or Principal Investigators:
- Summer salary - Only for project work during the summer
- Nine-month faculty do not receive paid vacation
- Institutional roles, proposal preparation, are not grant costs!
- Over commitment
- Has a person promised more than 100% to sponsors
- Sponsor commitments
  - Are commitments being met?
  - Reduction of PI effort by 25% or more (i.e. from 50% to 37.5%) requires sponsor approval.
Graduate students
- Only stipend payments to GRAs are reflected on form.
- Per Policy 3.13, tuition must follow same distribution.

Ongoing Monitoring
- Entire process should be addressed by documented ongoing monitoring, followed by documented year-end verification.
- A Salary Transfer must be submitted in a timely manner when it is recognized that effort component changes more than ± 10%.
  - Per A-21: “Short term (such as one or two months) fluctuation between workload categories need not be considered as long as the distribution of salaries and wages is reasonable over the longer term.
  - Pre-award accounts can reduce the need for salary transfers
- Prospective changes are done in Workday.
- Units need to coordinate with other units when:
  - Distributions cross unit lines and involve multiple supervisors
  - Individuals have multiple positions (will generate multiple certifications)

Special situations
- NIH salary cap
  - Affects anyone paid all or in part on NIH funds who exceeds the following rates
    - CY2014: $136,125 (9 months) or $181,500 (12 months)
    - CY2015: $137,475 (9 months) or $183,300 (12 months)
  - This creates a cost sharing requirement that must be recorded in a cost sharing subaccount. This is in addition to any other cost sharing requirements (voluntary or mandatory)
  - An issue for both academic year and summer payments. If summer pay is at a reduced rate than units should provide a letter stating that pay during the summer months is at a reduced rate.
Special situations

- NSF Limit on Faculty Salary
  - Only two months per fiscal year professorial support from all NSF awards combined, including subawards, unless stated in award documents.

Cornell Process

- Plan Confirmation Process utilized
  - Only for those individuals charged to sponsored activities, federal appropriations, or cost sharing accounts/subaccounts
- Only Cornell-compensated activities are included.
  - Some types of supplemental compensation for incidental work, or other types of reimbursements through payroll, may be excluded.
- Hourly students, who document their time via Kronos, are excluded.
  - The supervisor’s Kronos bi-weekly approval represents the certification.

Timeline

- Units should be reviewing effort throughout the year.
- Salary Transfers (ST e-Docs) must be fully approved by June 30th.
  - Note: No changes to State Appropriations may be made after the June 30 ST approval deadline.
- Year-End Salary Transfers (YEST e-Docs) must be submitted by Wednesday, July 15, 2015 and approved by units by Thursday, July 16, 2015 for any changes in FY15 actuals that need to be reflected in the final reports.
  - Note: all transfers are subject to Policy 3.20, Cost Transfers on Sponsored Projects
- Prospective changes must be made using the Costing Allocation in Workday.
How to do the certification

- Cost and Capital Assets will be distributing the final reports via the dropbox around July 27th.
- The final report will include year-end salary transfers that were approved by July 16th.
- Main report will contain academic year effort
- Faculty summer salary (July 1, 2014 – June 30, 2015) will be shown on a separate report.
- Reports should be reviewed as soon as they are distributed to your drop box.

How to do the certification

- Print reports single-sided using landscape orientation.
- Make changes to plan and actual data as necessary.
  - Most changes should have been made in the prior month and will be reflected on the final report.
  - For distribution changes not reflected on final report, both the % of effort and salary distribution must be updated.
  - Attach a copy of the Final ST to the signed effort reports showing the change was made.
  - For late cost transfers, provide an explanation of why the change is necessary and why it is a late cost transfer.
  - If a new account needs to be added, please populate each column
  - Effort must always total 1.00 and total dollars must not change
  - Please contact Beth Peet if a manual report needs to be created.
How to do the certification

• Signed final certifications, along with STs made in FY15 for changes noted on forms, must be submitted no later than August 31st.
• DFA will notify appropriate officers (i.e. unit heads, college business officer) when certifications are delinquent.

How to do the certification

• Add signature AND date in designated field
  – Labor distribution changes (ST) should be made prior to certification, not after.
  – Certification attests that all information on report is correct. Submitting an ST after a report has been certified is a break in certification.
  – When a break is necessary an explanation needs to be provided to document the reason that the earlier certification was incorrect, and why the changes were not corrected prior to certifying effort.
How to do the certification

• Extraneous comments or marks should not be written on the report that will returned
  – This is an official record and all notations made on the report are subject to review by DFA, agencies, and auditors.
  – If notes make it easier to discuss distribution with PIs, consider making an additional copy for your discussion and have the PI sign a clean report if no post-report changes need to be made.

How to do the certification

• The completed reports are scanned on receipt by DFA. Please help us with this process by observing the following:
  – Return all certified pages in order based on the page number at the bottom right side of the report.
    • Supporting documentation should follow directly behind the report it supports.
  – If the report is printed double-sided, be sure that the report on the flip side is sequential.
  – If you send a file to a non-sequential file to the PI it is important that the PI print it single sided.

How to do the certification

• Reports must be filed with Cost and Capital Assets in DFA.
  – Original reports with original signatures should be submitted to Cost and Capital Assets via campus mail
  – Electronic signatures are not accepted
  – Drop-boxed or emailed reports are not accepted
• Copies of the originals along with any back-up of the verification process should be retained in the unit.
FAQ: Why did I receive this report?

- The report is sent to the org for which the position is assigned in Workday.

- The receiving unit is responsible for coordinating the certification for all accounting lines on that position. This may require coordination with other administrators.

- If no sponsored activity appears on a report, most likely the employee held another position during the fiscal year that included sponsored effort.

FAQ: Why did I receive this report?

- Additional sponsored position(s) held by the employee may be in an org other than yours, but regulations require that 100% of their effort (including non-sponsored effort on a separate position) must be certified.

- Please contact us immediately if you believe a report has been assigned to your org in error, so that we may determine who should certify the report.

Method used must be noted on group certification form.
Group Certification

– Be sure to check one “suitable means of verification.” You are responsible for keeping all backup documentation of your verification on file in your unit for six full fiscal years.

– The organization name should match the organization name in the header of your org’s reports.

Group Certification

– All reports for the org that is being certified need to be returned with the group certification cover page. Reports must follow the group certification cover page sequentially.

– All pages must be returned

– If you are certifying for more than one org, a group certification page needs to be completed for each org that you are group certifying.

A few reminders about the Cornell Dropbox

– Dropbox files have a maximum expiration date of 21 days. Be sure to download your files and save to a secure place on your server as soon as you receive notice of the upload.

– Because Plan Confirmation reports include salary information, only use the Cornell Dropbox to share any of these files. Email is not considered to be secure for this purpose.
<table>
<thead>
<tr>
<th>Breaks in certification</th>
</tr>
</thead>
<tbody>
<tr>
<td>– A Salary Transfer (ST) moving sponsored effort after a report has been certified, without the certification reflecting the change, results in a nullification of the original attestation or a “break in certification.”</td>
</tr>
<tr>
<td>– A complete explanation for the transfer must be reflected on the ST.</td>
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<tr>
<td>– Breaks in certification are highly scrutinized and require this additional documentation.</td>
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</table>

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<thead>
<tr>
<th>Breaks in certification</th>
</tr>
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<tbody>
<tr>
<td>– The original certified report needs to be modified to reflect the salary transfer and be recertified.</td>
</tr>
<tr>
<td>– The recertified report, a copy of the ST, and a letter of explanation must be sent to Cost Analysis as soon as possible after the ST is submitted.</td>
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<tr>
<td>– The letter of explanation should address why the original report was previously attested to be correct and appropriate.</td>
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</table>

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<thead>
<tr>
<th>Breaks in certification</th>
</tr>
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<tbody>
<tr>
<td>– Any ST that transfers certified effort from one OSP number to another represents a break in certification.</td>
</tr>
<tr>
<td>– Even if the new OSP number is a continuation award, it is still a break in certification.</td>
</tr>
<tr>
<td>– Linked projects and associated projects under an umbrella are considered separate projects. When salary is moved between their accounts after certification, it is considered a break in certification.</td>
</tr>
</tbody>
</table>
Breaks in certification – exceptions

– The transfer of a true deficit (overdraft) from a sponsored account to a non-sponsored account is not considered a break in certification. These transfers represent a form of cost-sharing.

– A complete explanation for the transfer must be reflected on the salary transfer form.

– A copy of the salary transfer and a recertified report must still be sent to Cost Analysis.

STs that do not affect sponsored effort…

– An updated report reflecting the change on the ST and a copy of the ST still needs to be sent to Cost Analysis.

References

• Annual Certification Process
  – http://www.dfa.cornell.edu/dfa/accounting/topics/costanalysis/effort.cfm

• Policy 3.11, Effort Planning and Confirmation
  – http://www.dfa.cornell.edu/duffy/treasurer/policyoffice/policies/volumes/financ/effort.cfm

• Part 200- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)
  – http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Titl e02/2cfr200_main_02.tpl
Assistance

- uco-cost-mailbox@cornell.edu
- Nancy Abbott, Manager, Cost and Capital Assets, nja3@cornell.edu, 5-9368
- Beth Peet, Cost Analyst, Cost and Capital Assets, eap2@cornell.edu, 5-3351

Plan Confirmation Report Individual Report 06-2015

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<th>Organization</th>
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<th>Sub Acct Name</th>
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<th>Object</th>
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<th>PI Name</th>
<th>Cost Share</th>
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<th>FY15 Actual Dollars</th>
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Note: Due to the funding we receive from federal and other sponsored agencies, we are required to certify that the accounting of our effort is correct and appropriate. This certification is a plan confirmation process. We need to ensure that the distribution of effort by academic function for the current fiscal year and planned for our positions and appointments for the upcoming fiscal years is accurate as possible on an annualized basis. For graduate research assistant positions, the above represents only the assigned portion of the appointment. Other assignments are generally distributed similarly to the academic year effort, and documented in subsidiary systems.

Having first-hand knowledge or suitable means of verification, please sign this form after you have reviewed, initialized, and verified the effort distribution that is represented on this document. Project leaders or faculty may sign on behalf of their non-profit/professorial staff, provided the efforts submitted are discussed with such individuals. Individual changes in effort (vs. 30%) during the entire year must be reported to payroll by processing a Below Threshold (DBT) document in YFS. Material changes on sponsored awards should also be reported to OSP, to determine if a sponsor should be notified.

Signed: [Signature] Date: [Date]

Run Time: 7/17/2015 10:35 AM  CONFIDENTIAL