



## University of Rochester Effort Reporting Policy

**December 2024**

### Table of Contents

	<u>PAGE</u>
<b>I. Policy Statement</b>	4
<b>II. Reason for This Policy</b>	4
<b>III. Entities Affected by This Policy</b>	4
<b>IV. Who Should Read This Policy</b>	4
<b>V. Website Address for This Policy</b>	4
<b>VI. Related Documents, Forms and Tools</b>	5
<b>VII. Contacts</b>	5
<b>VIII. Definitions</b>	6
<b>IX. Responsibilities</b>	7
<b>X. Principles</b>	
<b>A. Total University Effort (TUE)</b>	
1. General Principles	8
2. Relationship of Total University Effort and Payroll Allocation	9
<b>B. Proposing Effort and Requesting Salary Support</b>	
1. General Principles	10
2. Minimum Proposed Effort	10
3. Training Grants	11
4. NIH Career Development Awards (K Awards)	11
5. Sponsor Limitations on Salary Levels	12
6. Budget Reductions	13
7. Visiting Faculty Appointments	13
8. Emeritus Faculty	14
9. Administrative Salaries	
a. Federally Sponsored Projects	14
b. Non-Federally Sponsored Projects	14

		<u>PAGE</u>
<b>C.</b>	<b>Establishment of Salaries on Sponsored Project Accounts</b>	
1.	General Principles	14
2.	Summer Effort/Salary for Faculty with Nine Month Appointments	16
3.	Vacation, Sick Time and Other Time Off (Other than Disability)	16
4.	Disability and Terminal Leave Payout	17
5.	Academic Leave of Absence (“Sabbatical”)	17
6.	Extra Compensation	18
<b>D.</b>	<b>Management of Effort Commitments</b>	
1.	General Principles	18
2.	Proposal Writing	19
3.	No-Cost Extensions	19
4.	Need for Sponsor Approval	20
<b>E.</b>	<b>Certification of Effort</b>	
1.	General Principles	20
2.	Who Can Certify Effort	21
3.	Effort Certification for Individuals Leaving the University	22
4.	Graduate Students	22
5.	Consequences of Not Certifying Effort	23
6.	Changes to Previously Certified Effort	23
<b>F.</b>	<b>Cost Share Effort</b>	
1.	General Principles	23

**XI. Examples**

1.	Calculating Effort of a Faculty Member with a Part-Time Appointment	25
2.	Increasing Compensation of a Faculty Member with a Part-Time Appointment	25
3.	Calculating Effort	25
4.	Considering the NIH Salary Cap for Faculty with Nine Month Appointments	26
5.	External Consulting	26
6.	Effort on Awards and Clinical Trials	26
7.	Vacation and Sick Leave	26
8.	Effort During an Academic Leave of Absence (ALA)	27
9.	Adjusting Effort Due to New Awards	27
10.	Determining When to Update Effort/Payroll Allocations	28
11.	Effort Without Salary Support	28
12.	Voluntary Committed Cost Sharing	28
13.	K Awards	29
14.	NIH Salary Cap	29

**XII. Procedures/Documentation** 29

**APPENDIX –**

<b>Required Internal Control Related to Management of Faculty Member/Investigator Effort Commitments</b>	<b>30</b>
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## **I Policy Statement**

These guidelines reflect the University of Rochester's ("University") practices regarding effort/payroll allocations for faculty members, staff members and others involved with at least one sponsored project.

Federal regulations for determining costs applicable to grants, contracts, and other agreements require educational institutions to maintain a payroll distribution method that ensures the apportionment of salaries for personal services is reasonably reflective of the actual work activities for which the faculty members, staff members and other individuals are compensated.

Note: If a sponsor's regulations conflict with provisions contained in this policy, the sponsor's regulations must be followed.

## **II Reason for This Policy**

The purpose of this Effort Reporting Policy is to set forth the policy and procedures the University's faculty members, staff members and other individuals must follow in order to comply with federal effort/payroll allocation requirements and other applicable sponsor requirements.

## **III Entities Affected by This Policy**

These guidelines apply to all University of Rochester schools, colleges and entities that receive federal assistance, including but not limited to: Arts, Sciences & Engineering; Margaret Warner Graduate School of Education and Human Development; William E. Simon Graduate School of Business Administration; Eastman School of Music; Memorial Art Gallery; School of Medicine and Dentistry; School of Nursing; and Eastman Institute for Oral Health and Health Sciences.

## **IV Who Should Read This Policy**

Senior Administration, Vice Provosts, Deans, Directors, Department Chairs, Division Heads, Faculty members, Departmental/Divisional Administrators, Research Administrators, Finance Personnel, Research Accounting personnel and Research Administration personnel, staff members and other individuals involved with sponsored projects should read this policy.

## **V Website Address for This Policy**

<http://www.rochester.edu/ORPA/policies/index.html>

## **VI Related Documents, Forms and Tools**

- Cost Transfer Policy – Sponsored Programs (University Finance web site)
- Effort Tracking – Cost Sharing (University Finance web site)
- Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
- Policy and Procedures for the Administration of Cost Sharing (University Finance web site)
- Revised Summer Salary Guidelines for the College of Arts, Sciences and Engineering (Office of Research and Project Administration web site)
- Record Retention Policy (ORPA Web site)

## **VII Contacts**

For clarification and interpretation of these guidelines, contact the following:

Associate Vice President, Office of Research and Project Administration [ORPA]

Director, Accounting Operations (Office of Research Accounting and Costing Standards)

Director, Research Compliance

## VIII Definitions

Actual Effort - the actual percentage of time for the work performed

Committed/Proposed Effort – the percentage of time for the project as reflected in a project proposal (or other project application) accepted by the sponsor, regardless of whether salary support is requested for that effort

Cost Share Effort/Cost Sharing – salary support from sponsor is less than the value of actual effort being committed/devoted to the sponsored project

De minimis Effort – infrequent, irregular activity that would normally be considered so small that it cannot (and should not) be accounted for. Activities can be considered de minimis in amount when, in the aggregate, they represent less than one percent of the individual’s Total University Effort.

Effort Certification – the affirmation by an individual that their payroll allocation percentages were a reasonable reflection of actual effort devoted during a respective time period

Effort Reporting – the mechanism used to confirm that payroll charged to sponsored agreements is reasonable in relation to the actual work performed

Extra Compensation – compensation that is not part of the faculty member, staff member or other individual’s ongoing distributed salary (i.e., relates to unique commitments of time and effort to meet special and usually temporary University needs)

myURHR – the University’s Human Resources Management System which is integral to the University’s effort reporting system

Institutional Base Salary (IBS) - the compensation paid by the University for an individual’s regular job responsibilities (whether the individual’s time is spent on research, teaching, patient care or other activities)

Key Person/Key Personnel – individuals making a substantial contribution to a sponsored project, either explicitly listed in the Notice of Grant Award or, if not so listed, the principal investigator and faculty on a sponsored project

Payroll Allocation – the distribution of a faculty member, staff member or other individual’s pay among one or more general Financial Activity Objects ( FAOs)

Payroll Costing Allocation (PCA) –Process used to change a faculty member, staff member or other individual’s compensation account distribution

Payroll Accounting Adjustment (PAA) – Process used to retroactively change a faculty member, staff member or other individual’s compensation account distribution.

Reported Effort – payroll allocations recorded in HRMS and/or the official University chart of accounts

Total University Effort – all professional activity—sponsored activities, teaching, administrative duties, clinical practice regardless of when (daytime, evening, weekends) or where (on site, at home, traveling) the activities occur--for which a faculty member, staff member, or other individual is compensated by the University through IBS

UR Financials– The accounting system used by the University of Rochester.

UR Financials Spend Category – a classification of expenditures sharing common attributes/characteristics

## **IX Responsibilities**

### Principal Investigators

- Understand the principles of accurate effort reporting
- Awareness of the level of effort committed to a sponsor in relation to all other professional activities included in Total University Effort
- Awareness of level of effort of other faculty, staff member and other individuals devoted to their sponsored project
- Certify his/her own effort/payroll allocation as requested
- Initiate internal communication for sponsor approval of reductions in effort equal to, or greater than, 25% of the effort commitment level
- Monitor their effort/payroll allocation to ensure that adjustments are requested and recorded timely
- Identify cost sharing circumstances

### Department Administrators

- Assist faculty members, staff members and other individuals with understanding their effort report/effort distribution

- Make any necessary effort/payroll allocation adjustments in **myURHR** in a timely manner
- Ensure that effort certifications are completed for faculty members, staff members and other individuals, as required
- Ensure that sponsor-imposed salary caps are properly applied
- Prepare Form 150 (Proposed Cost Sharing Commitment Form)

Office of Research and Project Administration (ORPA)

- Review and submit requests to sponsors for approval of effort reductions, as required by sponsor terms and conditions
- Assist with questions regarding effort reporting principles and/or process

Office of Research Accounting and Costing Standards (ORACS)

- Assist with questions regarding effort reporting principles and/or process
- Monitor the effort reporting process

## **X Principles**

### **A. Total University Effort (TUE)**

#### 1. General Principles

Faculty members, staff members and other individuals are appointed/hired to perform a unified set of duties. Specific duties are documented at the time of initial appointment/hire (such as in faculty appointment letters), are modified over time as needed, and establish the definitive basis for TUE and IBS.

A faculty member, staff member or other individual's TUE incorporates all of the time necessary to satisfy their obligations to the University pursuant to their job description/appointment letter. Total effort is not based on a specified number of hours (e.g., it is not necessarily based on 40 hours per week). No one can have greater than 100% effort.



TUE can include the following activities: teaching/instruction, externally sponsored and university sponsored research, public service, clinical activities, administration, professional development, proposal development, working on manuscripts or publications, and institutional service (e.g., serving on University committees). In general terms, the source of funding of salary for these activities should be consistent with the effort devoted to each activity.

Clinical activity performed in University owned facilities, University leased properties or affiliated enterprises are a component of TUE. Clinical activity performed at non-affiliated institutions for which the work is not paid for by, or through, the University and is allowed under the terms of the faculty member's appointment letter should not be included in TUE. TUE is exclusive of Veterans Administration activities.

Additionally, TUE does not include service on government agency study section or peer review panels, other advisory activities for sponsors, peer review of manuscripts, leaves of absences, leadership in professional societies, volunteer community or public service, and lectures or presentations paid for other than by the University.

Faculty members are allowed to consult for entities outside the University. Effort expended on such consulting is *in addition* to their University responsibilities and therefore should not be considered in calculating TUE.

A faculty or staff member who has a part-time appointment should calculate effort as a percentage of their TUE. See Section XI, Example 1.

Each faculty member, staff member or other individual must be aware of his/her level of committed effort to sponsored projects and outstanding proposals, their ability to meet those commitments considering other University obligations, and to communicate any significant changes in level of sponsored projects' effort to his/her respective administrator.

## 2. Relationship of Total University Effort and Payroll Allocation

Payroll is allocated on the basis of a distribution of TUE. TUE is not based on a specified number of hours (e.g., 40 hours per week) and TUE is unique to each faculty member, staff member and other individual.

When a faculty member, staff member or other individual's regular appointment is less than a full time equivalent, additional assignments commensurate with components of their TUE can increase IBS at the base rate of pay, up to full time basis. However, when a faculty member, staff member or other individual is at full time status, additional assignments cannot result in an increase in IBS. See Section XI, Example 2.

## **B. Proposing Effort and Requesting Salary Support**

### 1. General Principles

Levels of effort proposed in any sponsored project application should be consistent with the actual effort that each individual is expected to expend on the project during the relevant project period. Effort can be provided at any time within the project year (summer months, academic year, or both).

Faculty members, staff members and other individuals should apportion their effort based on the composite of all activities they perform as part of their University appointment. This will be unique to each person. They do so by calculating how they devote their time to each of their major activities, averaging over some period of time (usually six months) and allowing for fluctuations in duties.

The amount of salary support requested should normally be determined by multiplying the proposed level of effort by the individual's IBS. See Section XI, Example 3.

In some cases, the amount of requested salary support may be less than the level of effort times IBS. In such a circumstance, the amount to be expended but not requested is referred to as cost share effort. In no event should the requested salary support exceed the amount determined by multiplying the proposed level of effort by IBS.

For proposal purposes, proposed level of effort must be expressed in accordance with sponsor requirements. Some sponsors require that level of effort be proposed in terms of person months. Other sponsors expect the proposed level of effort to be expressed in percentage terms.

### 2. Minimum Proposed Effort

Faculty members are expected to propose either some level of effort (1% or more) or the minimum level of effort required by the program or proposals on which they are listed as principal investigator or key personnel, unless specifically exempted by the sponsor.

This is a reasonable expectation since a principal investigator has responsibility for the scientific, administrative and financial management of a sponsored project, and fulfilling those responsibilities takes time.

This requirement is not applicable to equipment awards, dissertation or training awards, and other limited purpose awards (e.g., travel grants, conference grants).

An exception is made with regards to industry funded clinical trials, if the effort of the PI is clearly de minimis (because study coordinators perform a majority of the required study tasks), it is permissible to allocate 1% of the PI's effort once every six months. This exception is not to be applied to all clinical trials; rather, only ones where PI effort is clearly de minimis.

### 3. Training Grants

No effort commitment is required from faculty mentors on institutional or individual training grants, since the faculty mentor's effort will be allocated to the specific research projects on which the trainees are involved. Since the faculty mentor's effort is instructional, it should not be listed on their Current and Pending Support Page and is not cost share effort.

An effort commitment is expected for the named research training program director, since he/she will be expending effort to coordinate the training program. The research training program director is to be named as a key person since their contribution is critical to the training program.

### 4. NIH Career Development Awards (K Awards)

Career Development Awards normally require a specified level of a faculty member's effort for research (e.g., 75%). The University must provide assurance that the K Award candidate is an integral part of its research and academic program and must certify that the candidate will be released from other duties to be able to devote at least the specified level of effort to the research program. As such, that minimum percent (e.g., 75%) of the recipient's TUE must be devoted to the research program consistent with the objectives of the award, and the remaining effort devoted to other University duties.

The K Award typically specifies an arbitrary salary cap level (e.g., \$100,000) to be funded. Supplementation of salary for K Award recipients whose salary exceeds the K Award's salary cap level qualifies as cost sharing and may not be paid from federal funds unless specifically authorized by the K Award and the federal program. Refer to Section F.1.

Faculty members who are K Award recipients will be required to complete a semi-annual certification form. The certification form is requested by ORACS and allows the faculty member to attest to their achievement of the minimum specified level of effort for research required by their K Award. The certification form requires the faculty member to identify the account(s) supplementing (i.e., cost sharing) the effort being expended, but not charged, directly to the K Award

K award effort information is reviewed twice per year by representatives of the Dean's Office, Medical Center Compliance Office, Office of University Audit, ORACS and ORPA. If the results of the review indicate potential non-compliance with the minimum specified level of effort required by the K Award, a communication will be sent to the faculty member's Chair/Division Chief, mentor and K award recipient . The communication will summarize the potential deviations and require a response whether or not the minimal research effort for the K award recipient was achieved.

#### 5. Sponsor Limitations on Salary Levels

The NIH and some other sponsors place limits (often referred to as caps) on the amount of faculty salary that can be recovered from their sponsored projects.

Salary caps do not reduce the committed effort expected by the sponsor. The committed effort to the sponsor is based on the percentage of TUE the faculty member has stated that he/she will devote to the project in the approved project's proposal, not the percentage of salary charged to the grant. Refer to Section F.1.

The NIH periodically modifies its salary cap. Once a salary cap change is announced by the NIH, the University will assess the new salary cap at the beginning of the month subsequent to the NIH announced effective date for such new salary cap. For a NIH funded investigator whose salary is above the NIH salary cap, the percentage of the salary above the cap will be allocated to an unrestricted account.

For faculty with nine month appointments, the salary cap will be applied if their academic year salary – when annualized – exceeds the current NIH Salary cap. See Section XI, Example 4.

The NIH salary cap does not apply to payments made to consultants from a NIH grant or contract, although those payments must meet the test of reasonableness and be consistent with the University's policy regarding use of consultants.

## 6. Budget Reductions

Typically sponsors make awards for less than the amount of the proposed budgets.

Unless otherwise notified, typically sponsors expect principal investigators (and other key personnel) to provide the level of effort outlined in the proposal, even when the amount funded is less than requested in the proposal.

The principal investigator is responsible for determining whether: the effort commitments will be reduced proportionately; the original effort commitments and salary support will be retained, and other budget categories can be reduced or eliminated; or neither the effort commitments nor other budget categories can be reduced or eliminated, thus either requiring cost sharing approval by the Dean's Office or submission of an official decline to the sponsor by ORPA.

Some sponsors require a budget resubmission to reflect the amount awarded. If effort levels of key personnel are to be reduced from the original proposed levels, and the sponsor does not require a budget resubmission, then typically sponsor approval for the reduced key personnel effort levels needs to be obtained. The NIH has such a requirement. ORPA needs to make such requests of the sponsor.

## 7. Visiting Faculty Appointments

Visiting faculty appointments are temporary appointments, sometimes paid by the individual's home institution and sometimes by the University of Rochester. It is possible to commit effort of visiting faculty members on a sponsored project. If the visiting faculty member is paid by the University of Rochester, the requirements of this Effort Reporting Policy apply. If the visiting faculty member is paid by their home institution, the situation is to be fully disclosed in the respective proposal. At the end of each project year, the visiting faculty member is required to certify the effort spent on the project, as disclosed in the related progress report.

## 8. Emeritus Faculty

Certain retired faculty members hold the rank of Emeritus Faculty. Some sponsored projects allow for effort commitments of Emeritus Faculty. In such circumstances, the effort commitment should reflect a percent of a full-time faculty member's workload. The individual's status as Emeritus Faculty is to be disclosed in the proposal, in addition to how the percent effort was determined.

## 9. Administrative Salaries

### Federally Sponsored Projects

For projects awarded based upon proposals submitted prior to October 1, 2024, treatment of salaries of administrative and clerical staff as a direct cost of a sponsored project may be appropriate only if all of the following four conditions are satisfied: (1) the administrative and clerical services are integral (UR interprets integral to mean the services are essential, vital, or fundamental to the project or activity) to the project; (2) the person involved can be specifically identified with the project; (3) the salaries are explicitly included in the project's budget or have prior written approval of the relevant federal agency; and (4) the salaries are not also recovered as indirect costs.

For projects awarded based upon proposals submitted on or after October 1, 2024, the salaries of administrative and clerical staff do not need to be explicitly included in the project's budget or have prior written approval of the relevant federal agency.

### Non-Federally Sponsored Projects

Unless a non-federal sponsor has restrictions regarding such costs, effort for administrative and clerical employees that is allowable, allocable and reasonable may be budgeted and directly charged to a project without demonstrating the criteria of a "major project or activity" or "substantive contribution," as is otherwise required of federally sponsored projects.

## **C. Establishment of Salaries on Sponsored Project Accounts**

### 1. General Principles

Effort/payroll allocations must ensure that apportionment of effort for faculty members, staff members or other individuals is reasonably reflective of the actual work activities for which the persons are compensated.

When faculty members have significant teaching, public service, clinical, administrative, professional development, or institutional assignments while they are working on sponsored projects, the University expects that there will be multiple sources of salary support that reflect the effort associated with each of those activities. Generally, unrestricted institutional funds are used to support teaching, public service, clinical, administration, professional development and institutional service.

Where budgeted and allocable, sponsored funding should support faculty work on research projects, although there may be instances where unrestricted institutional funds support research. Examples of institutionally funded research may include faculty startup funds, bridge funding, and cost share effort.

A portion of a faculty member, staff member or other individual's salary should be charged to a sponsored project by determining the percentage of the person's activities devoted to the project (i.e., actual effort) and charging no more than that percentage of the person's IBS to the sponsored project. See Section XI, Examples 5 and 6. Charging less than actual effort directly to the project is allowable but the difference should be documented as cost share effort if it was committed in the proposal.

If effort is not directly allocated to the sponsored project's account number, because it is cost shared, refer to Section F of this policy.

Sponsors expect that the University will charge a project for a faculty member, staff member or other individual's effort at the same rate of pay at which the University charges for the person's other activities. Specifically, effort/payroll allocation for any activity is based upon the percent effort multiplied by the person's IBS. At times such allocation of a sponsored project's activity is borne by not only the project's account but also by an unrestricted account, such as when there is a sponsor salary limitation (refer to Section B.5) or cost sharing (refer to Section F.1).

Regarding hourly paid employees expending effort on sponsored projects, when hours worked involve overtime pay, the overtime hours should be distributed to all projects on a proportionate basis with the total effort for the payroll period. In other words, overtime should not be attributed entirely to a single project when costs are distributed over multiple projects.

Effort/payroll allocations are established in advance of when work will actually be performed (based on anticipated activities). Effort/payroll allocations are then updated to reflect any significant changes in the anticipated or actual distribution of effort (refer to Section D.1).

## 2. Summer Effort/Salary for Faculty with Nine Month Appointments

Faculty members with academic year (nine month) appointments can normally request no more than 2.5 months summer compensation per year from sponsored projects. Three months of summer compensation requires additional approval from the Department Chair and Dean. Some sponsors may have additional restrictions on summer compensation.

Monthly summer compensation of faculty members that have nine month appointments is computed by taking the faculty member's IBS for the forthcoming academic year and dividing by nine.

If unforeseen circumstances occur, and an investigator's research experiences a budgetary shortfall (e.g. during a no-cost extension period), some sponsors allow the investigator to re-budget funds to pay for those items that are necessary for the research to continue. This may include re-budgeting the investigator's summer salary. Should an investigator wish to re-budget summer salary, he/she must determine whether prior sponsor approval is necessary and, if so, have ORPA obtain such approval.

Effort expended during the academic year, but not allocated/charged to a sponsored program, does not satisfy a commitment related to the payment of summer compensation.

In general (unless not reasonably reflective of the faculty member's circumstances), a faculty member may not allocate more than 5/6 of any summer month's compensation to sponsored programs, except in exceptional circumstances. The remaining 1/6 of the summer month's compensation is allocated to an unrestricted institutional account in recognition of activities unrelated to sponsored projects. If the Dean approves an exceptional month whereby all of a faculty member's effort is allocated to sponsored project(s), all of his/her effort must actually be devoted to the project(s). Some activities that are specifically not allowed during such exceptional month(s) are vacation, teaching academic administration, proposal preparation and business or conference travel (except when exclusively related to work supported by the project(s) to which the compensation is being allocated).

## 3. Vacation, Sick Time and Other Time Off (Other than Disability)

If a faculty member, staff member or other individual is expending effort on multiple sponsored projects at the time prior to the time off, the charges to the sponsored projects during the time off should be consistent with the usual effort/payroll allocation. See Section XI, Example 7.



An extended leave may have an impact on a key person's ability to meet his or her effort commitment to a sponsored project. If an extended leave lasts for 90 days or more, ORPA must be requested to obtain sponsor approval of the extended leave.

#### 4. Disability and Terminal Leave Payouts

If a faculty member, staff member or other individual was expending effort on sponsored projects at the time point prior to the disability or employment termination, the disability payments and terminal leave payouts (e.g. unused vacation hours, if applicable, based on school policy) are not to be treated as a direct cost to the sponsored project(s). These costs are funded through the fringe benefit rate applied to personal service costs allocated to the sponsored project(s).

#### 5. Academic Leave of Absence ("Sabbatical")

An Academic Leave of Absence (ALA) is a benefit that is earned by a faculty member. The cost of paid ALA is included in the expenses that comprise the fringe benefit rates submitted annually to the University's federal cognizant agency for approval.

For each sponsored project on which the principal investigator will remain active during an ALA, the principal investigator shall provide their research plans for the ALA to the respective sponsor's program officer.

An allocation of each month's compensation paid during the ALA shall be made to each sponsored project in proportion to the amount of time spent on such project during the ALA. The residual portion of the month's compensation is paid from the University's ALA account.

In cases where actual effort is not allocated to a sponsored project account, but rather is paid from the ALA account, it is not appropriate to refer to that effort as cost share effort since the federal government pays for ALA costs through application of the annual fringe benefit rate to faculty effort/payroll allocations to sponsored projects. See Section XI, Example 8.

## 6. Extra Compensation

Extra compensation representing compensation for work performed for the University, relates to activities in excess of the faculty member, staff member or other individual's TUE, thus such extra compensation payments are not considered in that person's effort certification. The following is required, in addition to the extra compensation form: justification regarding how the activity being compensated is outside of the person's TUE; and attestation that the amount was calculated using the person's current institutional base salary and the amount of time associated with the respective activity.

Intra-University consulting by a faculty member is regarded as a University obligation that requires no additional compensation (i.e., is considered a part of TUE). However, in unusual cases where consultation is across department lines or involves a separate or remote operation, and the work performed is in addition to the faculty member's regular duties, such extra compensation may be allowable.

### **D. Management of Effort Commitments**

#### 1. General Principles

Effort/payroll allocations are initially made on the basis of estimates. Allocations are updated when there are significant changes in how a faculty member, staff member or other individual expends their time among their University responsibilities, including sponsored projects. See Section XI, Example 9. Short-term fluctuations (i.e., one or two month fluctuations) do not need to be processed if, over the long-term, allocations are reasonable. Faculty members, staff members and other individuals do not need to account for how they spend every hour on a daily basis.

Fulfillment of an effort commitment for a sponsored project is measured over an entire budget period, typically one year. During the course of that period, an individual's level of actual effort may vary. This variation is acceptable, as long as the individual fulfills the overall commitment for the entire budget period.

At a minimum, if a foreseen permanent effort change is at least 10% of the individual's total effort or results in a reduction of documented effort on a single project of 25% or more of the original commitment for the current budget period, an update to the respective person's effort/payroll allocation must be done. See Section XI, Example 10.

Departments and divisions must have an internal control system in place that effectively monitors the effort/payroll allocations of faculty members, staff members and other individuals working on sponsored projects. The objective of monitoring effort is to help ensure effort/payroll allocations to sponsored projects are reasonable reflections of the actual work performed and that individuals are not overcommitted.

Refer to the Appendix for a required internal control related to management of faculty member/investigator effort commitments.

## 2. Proposal Writing

If the proposal writing relates to providing budget, technical and other materials on a continuing project (i.e., a non-competing renewal of an existing project), that time is part of the faculty member, staff member and other individual's effort devoted to that project. All other effort devoted to writing proposals for either new awards or competitive renewals of existing awards (including data gathering in research areas unrelated to existing projects) may not be charged to sponsored projects.

Normally, sponsored project proposal writing cannot be considered de minimis effort. There is no federal guideline or directive regarding a "typical" percent of effort for writing a grant proposal. This effort percentage will vary greatly among persons and should be based on each person's situation.

An exception exists when a faculty member is supported by a NIH Career Development Award (K Award). When a faculty member is supported by a K Award, effort related to proposal writing can be allocated to the K Award if it fulfills the objective of such award (i.e., the K awardee's career development)

## 3. No-Cost Extensions

A no-cost extension could be necessary when a project has reached its original end date, but effort for the project is still required. Sponsors expect that the original award terms and conditions extend throughout the project period, including a no-cost extension period. This includes commitments of effort for the principal investigator and other key personnel.

Effort for the principal investigator and other key personnel might not be needed at the original effort commitment levels in order to complete the project's scope of work during the no-cost extension period. While this effort reduction is legitimate and is not considered a change in scope, some sponsors require prior approval for such reduction of effort.

In such cases, without sponsor approval of an effort reduction, a principal investigator and any other key personnel must continue contributing the original committed effort to the project. This effort may require unrestricted institutional funds (i.e., cost share effort) and completion and approval of ORPA Form 150 (Cost Sharing Commitment Form).

#### 4. Need for Sponsor Approval

Any significant change in effort for the principal investigator or other key personnel who are listed on the Notice of Grant Award generally must be approved in writing by the sponsor's Grant Officer prior to the change.

Sponsor approval is generally required prior to the following effort changes: change in principal investigator or other key personnel specified in the award document; the disengagement by the PI for more than three months; or a 25% or greater reduction in time devoted to the project by the principal investigator or other key personnel.

If an award document does not contain specific language about effort commitments, then the effort commitment in the project proposal constitutes the benchmark against which the magnitude of a potential effort reduction is measured.

For key personnel, an increase in effort of 25% or greater should be reviewed to assess whether the scope of work for that project has changed and to assess probable impacts on the individual's ability to meet commitments to other sponsored projects. Any change in the scope of work must be approved in writing by the sponsor's Grant Officer prior to the change. These situations will be identified through fulfilling the requirements of Section D.1. regarding ongoing effort monitoring.

Effort reductions of non-key personnel generally do not require sponsor notification or approval.

### **E. Certification of Effort**

#### 1. General Principles

Effort must be certified for faculty members, staff members and other individuals who have payroll—in whole or in part—charged directly to sponsored projects or who expend committed effort on a sponsored project, even if the effort is cost shared (i.e., no part of the individual's payroll is charged to the project).

Effort certification will occur at least twice per year based upon predefined time periods:

Persons with academic (9 month) appointments:

January – May	Certify in June
June – August (if applicable)	Certify in September
September – December	Certify in January

Persons with non-academic (12 month) appointments:

January – June	Certify in July
July – December	Certify in January

By completing the effort certification statement, an individual certifies that the effort/payroll allocation for the respective effort certification period is a reasonable reflection of the actual effort/actual work performed for that time period.

## 2. Who Can Certify Effort

Any person with a commitment on a sponsored project must certify that the effort/payroll allocation to the project is reasonable in relation to the actual effort devoted to the sponsored project.

With the exception of post-doctoral individuals and graduate students, each individual should certify their own effort unless extenuating circumstances exist that prevent this from being achieved. When there are extenuating circumstances, a “responsible person” with suitable means of verification that the work was performed (as explained later in this section) may certify. Examples of extenuating circumstances are a condition whereby the individual is physically indisposed (e.g., hospitalized) or is doing field work in a remote geographic region that does not have communication channels (e.g., Internet).

Typically the principal investigator will have firsthand knowledge of the effort of most of the individuals working exclusively on their research projects. Therefore, a principal investigator may certify effort of those individuals if extenuating circumstances prevent those individuals from certifying their own effort. Principal investigators are allowed to certify the effort/payroll allocation for post-doctoral individuals and graduate students. Generally, administrators should not certify effort of faculty members and other individuals because they do not have firsthand knowledge of the work performed by them. However, in extenuating circumstances when neither the individual nor the principal investigator are available to certify effort, administrators may certify the effort by obtaining suitable means of verification of such individual’s effort.

When the certification is done by someone other than the employee, the certifier should enter – in the text box available on the myURHR certification screen – what information they had available to support the reliability of their certification.

An example of suitable means of verification is an email from the individual, or a person with firsthand direct knowledge, confirming the actual effort.

Another example of suitable means of verification is a verbal discussion between the administrator and a person who has firsthand knowledge. The verbal discussion is to be documented in an email from the administrator to the person with firsthand knowledge, with a request for a return acknowledgement.

### 3. Effort Certification for Individuals Leaving the University

Faculty members, staff members and other individuals who expend effort on sponsored projects must certify their effort/payroll allocation information for the period of their last effort certification to the date of termination. Prior to the individual leaving the University, the administrator must request an ad hoc effort certification statement for the respective employee, such that the employee can certify before their termination.

If an individual leaves the University before certifying the final effort/payroll allocation, the principal investigator or other responsible person with sufficient knowledge and means of verification of the work performed, may complete the certification. In such circumstances, proof of suitable means of verification must be maintained. The appropriate source of suitable means of verification will be unique to each situation and should be described in the text box available on the myURHR certification screen.

### 4. Graduate Students

If a graduate student is receiving compensation for services performed on a sponsored project, this effort must be certified. If the student is receiving tuition remission the tuition remission charged to a sponsored project should be in the same proportion as the compensation charged to the project. Certification of the graduate student's effort/payroll distribution effectively supports the tuition remission charged to the grant.

Stipends are given to a student when the student is being paid from a training or fellowship grant. If the student is receiving a stipend, this is considered educational assistance, not payment for services (i.e., not employment compensation). This activity need not be certified.

## 5. Consequences of Not Certifying Effort

In the event of a lack of required effort certification (i.e., annual, summer or termination) and/or lack of appropriate certification (i.e., not the individual or a responsible person with firsthand knowledge) the respective Dean's Office may take disciplinary action and/or administrative action.

## 6. Changes to Previously Certified Effort

Once effort certification has been completed, only in certain circumstances will retroactive subsequent effort/payroll allocation adjustments be permitted. If it is necessary to adjust the effort/payroll allocations for a previously certified effort period, submit a Payroll Accounting Adjustment (PAA) using myURHR and select the appropriate reason for the retroactive reallocation from the drop down menu on the PAA process page.

Reallocations of previously certified effort will require re-certification. Submit to ORACS a request for an off-cycle effort certification for such employee. Your request needs to include justification that clearly sets forth why the previous effort/payroll allocation was erroneously certified, and why the updated effort/payroll allocation is more appropriate within the context of sponsor regulations and University policies and procedures. Refer to University's ***Cost Transfer Policy – Sponsored Programs.***

At close out of a project, a PAA should not be used to retroactively change effort/payroll allocations from a sponsored account that is in deficit, if the underlying effort was truly expended on the project. Rather, the value of effort in excess of the project's budget is to be a component of the journal entry that transfers the final deficit to an unrestricted account.

## F. Cost Share Effort

### 1. General Principles

Cost sharing occurs when effort is committed but is not to be paid by the sponsor, regardless of the amount/percentage of effort.

If a cost sharing commitment is known at the time of proposal, a Cost Sharing budget must be created in IORA - and must be approved according to the respective school's policy – prior to submission to the potential sponsor.

If a cost sharing commitment is identified during the life of the award, ORPA Form 150 “Proposed Cost Sharing Commitment Form” needs to be completed. The form is used to document the total cost sharing amount by expense category for each budget year. The Form 150 must be approved by the principal investigator, Department Chair and Dean. Once approved, it is provided to ORPA to upload to IORA.

Faculty members with nine month appointments are not permitted to indicate cost share summer effort in a sponsored project proposal, since the University is not obligated to pay faculty salary during the summer. Faculty cost share effort is recorded by using UR Financials Spend Category SC57450 (Salaries Cost Share) with the UR Financials FAO used to pay the faculty member’s cost share effort. See Section XI, Example 11.

A proposal must not include the value of an individual’s effort (e.g., principal investigator effort) if the ultimate intent is to re-budget the effort-related funds to pay for other costs (or other personnel).

For National Science Foundation proposals, principal investigator involvement that is not quantified or valued should be reflected in the Facilities, Equipment and Other Resources section of the proposal. This does not represent a cost share obligation since there is no measurable commitment.

During the life of a project, if committed effort is expended, but begins to be paid from an unrestricted account, it is a cost sharing circumstance and Form 150 must be completed and approved. For faculty effort in such circumstances, UR Financials Spend Category SC57450 (Salaries Cost Share) is used with the UR Financials FAO used to pay the cost share effort. See Section XI, Example 12.

The portion of payroll associated with effort to meet K Award requirements, but which exceeds the amount available through the K Award mechanism, is cost share effort. UR Financials Spend Category SC57450 (Salaries Cost Share) is used with the UR Financials FAO used to pay the cost share effort. See Section XI, Example 13.

UR Financials Spend Category SC57550, not UR Financials Spend Category SC57450, is used to identify the portion of salary expended on a NIH sponsored project but which cannot be directly allocated to the NIH sponsored project because the individual’s IBS exceeds the NIH salary cap. See Section XI, Example 14.



## **XI Examples**

### ***1. Calculating Effort of a Faculty Member with a Part-Time Appointment***

Dr. Blake has a .8 FTE/12 month appointment. He submits a proposal for a sponsored project. If the project is awarded, he will remain a .8 FTE by reducing the amount of effort currently being expended on his other University responsibilities. Dr. Blake's salary is \$11,000 per month.

In the proposal, Dr. Blake is committing to expend 25% of his TUE on the project. In the budget, Dr. Blake reflects the proposed effort as 25% and the value of the effort as \$33,000 (25% of his IBS). In the Budget Justification section, disclosure is needed that Dr. Blake is a .8 FTE and that the 25% effort is 25% of his part-time effort (or 2.4 person months) which is equivalent to 20% effort of a 1.0 FTE (or 2.4 person months).

If the proposal is funded, Dr. Blake's salary will remain as \$132,000.

### ***2. Increasing Compensation of a Faculty Member with a Part-Time Appointment***

Dr. Blake has a .8 FTE/12 month appointment. He submits a proposal for a sponsored project. If the project is awarded, he will increase his FTE appointment to accommodate the project, while the level of effort for his other University responsibilities will remain constant. Dr. Blake's salary is currently \$11,000 per month.

In the proposal, Dr. Blake is committing 20% of his TUE to the project. In the budget, Dr. Blake reflects the proposed effort as 20% and the value of the effort as \$33,000 (20% of his IBS adjusted to a full-time basis). In the Budget Justification section, this is disclosed to be 2.4 person months.

If the proposal is funded, Dr. Blake's appointment will be modified to a 1.0 FTE and his IBS will be adjusted to equal \$165,000.

### ***3. Calculating Effort***

Dr. Angus is submitting a proposal for a NIH project. Dr. Angus expects to spend 3 days per week (on average) on the project and 2 days per week (on average) on teaching and administrative duties. Dr. Angus' committed effort to the NIH project should be expressed as 60% (i.e., 3 days/5 days). Effort is calculated and expressed as a percentage of TUE.

[NOTE: If Dr. Angus works approximately 6 days each week, the sum of days in a typical week spent on each University activity would equal 6 days.]

#### ***4. Considering the NIH Salary Cap for Faculty with Nine Month Appointments***

Dr. Glasgow has a nine month appointment. Dr. Glasgow's TUE compensation is \$175,500 (\$19,500 per month). Dr. Glasgow's annualized salary is \$234,000 (12 times \$19,500). Dr. Glasgow obtains a NIH sponsored project. The current NIH salary cap is \$221,900. The salary cap applies to Dr. Glasgow since the NIH salary cap level is based on 12-month salary, and Dr. Glasgow's annualized salary is \$234,000 (12 times \$19,500).

#### ***5. External Consulting***

In a typical week, Dr. Cabot spends 3 days (including time on a typical weekend) fulfilling teaching and institutional service responsibilities and 2 days working on a NIH project for which he has a 40% commitment. Dr. Cabot spends one day each week consulting for an outside entity. The outside entity directly pays Dr. Cabot for the consulting services.

Dr. Cabot has 40% effort (2 days/5 days) allocated to the NIH project. The day spent consulting is not a component of TUE, thus it is not considered in Dr. Cabot's effort allocation calculation.

#### ***6. Effort on Awards and Clinical Trials***

Dr. Beecher has three NIH grants which cover 90% of his salary. Dr. Beecher is also a principal investigator on eight clinical trials but does not charge any effort to them. Dr. Beecher currently serves as Chair of a department and such responsibility entails approximately 10% of effort in a typical week. A department account covers 10% of his salary. The effort allocated to the NIH grants is excessive since the time Dr. Beecher is spending on the eight clinical trials is not accounted for elsewhere.

#### ***7. Vacation and Sick Leave***

Dr. Eden, a 12-month faculty member, is absent for one month because of vacation and illness. During the remainder of the year Dr. Eden expends 80% effort on NIH projects and Dr. Eden's effort/payroll allocation is 80% to those projects. The 80% effort/payroll allocation to the NIH projects is appropriate for the month of vacation and illness.

## **8. Effort During an Academic Leave of Absence (ALA)**

Prior to an approved ALA, Dr. Feelgood's effort/payroll allocation was 75% to an unrestricted ledger account and 25% to a sponsored project account, commensurate with his devoting 25% effort to the sponsored project.

### Scenario One

Prior to the start of the ALA, Dr. Feelgood tells the sponsor that he is to continue expending the same amount of time to the sponsored project during the ALA as was being done prior to the ALA. The University's ALA account will pay for the non-sponsored project time. Thus, for the ALA period, 75% of Dr. Feelgood's effort/payroll allocation is to the University's ALA account and 25% of his effort/payroll allocation is to the sponsored project's account.

### Scenario Two

During the ALA, Dr. Feelgood is going to spend all his time on his sponsored project. The sponsored project does not have budgeted funds available to pay for the increased effort. Prior to start of the ALA, Dr. Feelgood tells the sponsor he will continue expending *at least* the same amount of time to the sponsored project during the ALA as was being done prior to the ALA. The University's ALA account will pay for the amount of time in excess of the amount in the sponsored project's budget. Thus, for the ALA period, 75% of Dr. Feelgood's effort/payroll allocation is to the University's ALA account and 25% of his effort/payroll allocation is to the sponsored project's account. Although the University's ALA account is paying for the time spent on, but not charged to, the sponsored project, it is not cost sharing because the University's ALA account is funded through application of the annual fringe benefit rate to faculty effort/payroll allocations to sponsored projects.

## **9. Adjusting Effort Due to New Awards**

Dr. Douglas typically works five days each week--one day on a NIH project and the remainder of the week on teaching and administrative responsibilities. Dr. Douglas' effort/payroll allocation is 20% to the NIH project. (1 day/5 days).

Dr. Douglas obtains a second NIH project that requires approximately one day of effort each week. To accommodate the new project, Dr. Douglas reduces the spent on non-research activities and maintains a consistent work week (i.e. five days). Dr. Douglas' effort is now 60% on teaching and administrative responsibilities and Dr. Douglas' effort/payroll allocation in **myURHR** should be updated accordingly.

## ***10. Determining When to Update Effort/Payroll Allocations***

Professor Gore has a 60% effort commitment to a NIH sponsored project, a 10% effort commitment to a NSF sponsored project and 30% instruction and administrative commitments. His effort/payroll allocation in HRMS reflects those percentages.

### **First Scenario**

If Professor Gore's actual effort becomes 70% to the NIH sponsored project, 10% to the NSF sponsored project and 20% to instruction and administrative work, and is expected to be a long-term change in effort, an update to his effort/payroll allocation is needed since it is a 10% change to one of the sponsored projects.

### **Second Scenario**

If Professor Gore's actual effort becomes 60% to the NIH sponsored project, 7% to the NSF sponsored project and 33% to instruction and administrative requirements, and is expected to be a long-term change in effort, an update to his effort/payroll allocation is needed. Although it is less than a 10% change, the reduction of effort for the NSF sponsored project is greater than a 25% reduction for that project's effort commitment and needs sponsor approval before it occurs.

## ***11. Effort Without Salary Support***

Dr. Fogarty is involved in a NIH project with 3% committed effort. The proposal indicated the 3% is to be cost shared. Assuming Dr. Fogarty expends 3% effort on the project, the 3% actual effort is charged to UR Financials Spend Category SC57450 (Salaries Cost Share) used with the UR Financials FAO used to pay the cost share effort. Using SC57450 allows the department to monitor faculty cost sharing commitments.

## ***12. Voluntary Committed Cost Sharing***

Dr. Ignatius is a principal investigator on a NIH project proposal. Dr. Ignatius committed 40% effort to the NIH project and the actual effort expended is 40%. Dr. Ignatius' effort/payroll allocation is 30% to the NIH project. The 10% not charged to the NIH project constitutes cost share effort and is charged to a UR Financials FAO used to pay the cost share effort using UR Financials Spend Category SC57450 (Salaries Cost Share). Using SC57450 allows the department to monitor cost sharing commitments.

### ***13. K Awards***

Dr. Hoselton works, on average, 5 days per week at UR which includes 4 days of research time pursuant to a K Award and 1 day performing clinical duties (i.e., patient care). The patient care is part of Dr. Hoselton's TUE. Dr. Hoselton's K Award requires a 75% commitment of professional effort to research. To meet the 75% effort commitment, Dr. Hoselton must devote at least 3.75 days (i.e., 75% of 5 days) to research. Dr. Hoselton is in compliance with the terms of the K Award since 80% effort (4 days/5 days) is devoted to research, which exceeds the K Award's required 75% effort commitment.

[NOTE: If Dr. Angus works approximately 6 days each week, the sum of days in a typical week spent on each University activity would equal 6 days.]

### ***14. NIH Salary Cap***

Dr. Gates has an IBS of \$300,000 and expends 10% effort on a NIH project. The NIH salary cap is \$221,900. Only \$22,190 (i.e., 10% of \$221,900) can be directly allocated to the NIH project account during a 12 month period. The \$7,810 difference between the capped salary and the IBS may not be charged to any sponsored project. Rather, it is allocated to a UR Financials FAO using a UR Financials Spend Category SC57550 (Faculty HHS Salary Cap). Using SC57550 allows the amount in excess of the capped salary to be tracked for calculation of the organized research base when the University prepares its Indirect Cost Rate proposal.

## **XII Procedures/Documentation**

**Documents that support** effort certifications are to be retained in accordance with the University's record retention policy, accessible at:

Version Date: 12/16/24

## APPENDIX

### REQUIRED INTERNAL CONTROL RELATED TO MANAGEMENT OF FACULTY MEMBER/INVESTIGATOR EFFORT COMMITMENTS

Sponsored projects administrators are expected to conduct and document a review of effort/payroll allocations of a faculty member (named on at least one award as key personnel) at least every three months.

As a byproduct of such reviews, sponsored projects administrators are expected to maintain an effort verification spreadsheet for each faculty member who is a key person on at least one sponsored project. An exception is made if the faculty member's research portfolio consists of only pharmaceutical-company sponsored clinical trials.

The effort verification spreadsheet compares committed effort (i.e. the effort promised in the proposal) to the reported effort (i.e. the effort/payroll allocation in myURHR) and to the actual effort (i.e. the actual work performed according to the faculty member/investigator or other responsible person with suitable means of verifying effort). **The spreadsheet must include not only sponsored program commitments - but also clinical, administrative and teaching commitments - in order for the effort to account for 100% of the person's effort.**

The effort verification spreadsheet is populated with updated information each time a change in the faculty member's responsibilities occurs (e.g., a new project is begun, **or their clinical schedule changes**). The faculty member/investigator must acknowledge the accuracy of their effort verification spreadsheet each time their effort verification worksheet is updated.

Since the effort verification spreadsheet must reflect all sponsored projects whereby the faculty member has commitments, it is then a source of information for the active projects included on the faculty member's Current and Pending Support (CPS) Page. Regarding the CPS Pages, it is understood that the sum of commitments on active projects, plus proposed commitments for a given period, may exceed 100% because all proposals may not be awarded. However, to the extent the proposed projects are awarded, then a reduction must be made to one or more existing commitments and those respective sponsors must be notified, as appropriate, to ensure that an individual's total effort commitments do not exceed 100% in any given period **(after also considering non-sponsored program commitments)**. Thus, the effort verification spreadsheet is used to identify over-commitments and/or reportable reductions in effort.

An alternative to the standard effort verification spreadsheet and process described in this appendix is permissible if it achieves the same objectives of: (i) ensuring the faculty member/investigator is not overcommitted; (ii) there is reasonable agreement between actual and reported effort; and (iii) any variance from committed effort requiring sponsor approval is identified and such approval is obtained.