Monitoring Committed Effort for PIs

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Manager of Effort Certification
Office of Sponsored Programs
April 5, 2012
Understanding Effort Commitments

Commitment = binding promise of effort which must be tracked and reported
Understanding Effort Commitments

- Made at proposal time
- Binding at award time
- Can vary across multiple budget years
- Flexibility in cost-shared vs. direct-charged
- Flexibility in academic vs. summer time
- Carry over into no-cost extension periods
Commitment ≠ Workload

**Commitment** = binding promise of effort which must be tracked and reported

**Workload** = approved work *plan* for faculty may be divided into instruction/teaching, service, or research

http://www.udel.edu/research
Commitments vs. Workload

Commitments to external sponsors fit within the workload. Each piece of the workload may include both internal & external activities.

Instruction 40%

Service 20%

Research 40%

External research

Internal research

Widget grant
Sprocket grant
Whatzit grant
Department research

http://www.udel.edu/research
Proposing Effort

- Include effort in proposal for all key personnel anticipated to work on the project. This includes both direct and cost shared effort.
- Effort proposed should be based on reasonable amount of time that will be expended on the sponsored project if awarded.
- Minimum effort requirement is 1%.
- Voluntary cost-shared effort is discouraged.
- Faculty commitments may exceed their workload as it is recognized that not all proposals are awarded.
Minimum Effort Commitments

• PI effort is required on a project and must be documented; if not funded directly by the sponsor, the effort must be cost-shared (minimum 1%).
Exception: equipment & instrumentation acquisition grants, travel supplements, doctoral dissertations and student augmentation or fellowships (including UDRFs)
Entering Proposed Effort

• Data is added to the detail budget screens in UD Grants System for all UD employee whether PI, Co-PI or senior personnel, listed as *resources* on your grant proposal

• Data should include effort percent and whether it is a summer month(s)

• Data inputted at the proposal budget can be queried in GMQ_EFFORT_BY_PI_PROPOSED (sample on next screen)
Sample query results for a PI

<table>
<thead>
<tr>
<th>Proposal ID</th>
<th>Title</th>
<th>Status</th>
<th>Begin Date</th>
<th>End Date</th>
<th>Percent</th>
<th>Calendar</th>
<th>Academic</th>
<th>Summer</th>
<th>Name</th>
<th>Role</th>
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<td>N</td>
<td>N</td>
<td>Smith, John</td>
<td>KEY</td>
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<tr>
<td>9000035</td>
<td>NIH INBRE 09 WEIR SUBM</td>
<td>5/1/2011</td>
<td>4/30/2012</td>
<td>10</td>
<td>N</td>
<td>N</td>
<td>N</td>
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<td>5/1/2011</td>
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<td>N</td>
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<td>8/31/2012</td>
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<td>Smith, John</td>
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<tr>
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<td>5/1/2011</td>
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<td>Smith, John</td>
<td>CPI</td>
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<tr>
<td>10001031</td>
<td>NIH INBRE 10 WIT</td>
<td>5/1/2011</td>
<td>4/30/2012</td>
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<td>N</td>
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<td>PI</td>
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<td>4/30/2012</td>
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<td>N</td>
<td>Smith, John</td>
<td>CPI</td>
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### Budget Line Summary

**Proposal:** 0014700002  
**Project:** ELIN37211398000  
**Budget Period:** 12/31/2001

**Currency:** USD

#### Summary Line Data

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<th>Line #</th>
<th>Category</th>
<th>Description</th>
<th>Details</th>
<th>Total Direct</th>
<th>Sponsor Direct</th>
<th>Cost Share</th>
<th>Institution C/S</th>
<th>Third Party C/S</th>
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<td>10</td>
<td>OSRPER</td>
<td>Other Senior Personnel(N)</td>
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<td>2,075.00</td>
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<td>Cost Share</td>
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**Sponsor Direct:** 17,136.00  
**Sponsor FA:** 0.00  
**Total Sponsor Budget:** 17,136.00
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<tr>
<th><strong>Scroll Area</strong></th>
<th><strong>Find</strong></th>
<th><strong>View All</strong></th>
<th><strong>First</strong></th>
<th><strong>Last</strong></th>
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<td><strong>Makovic, Jelena</strong></td>
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<td><strong>Budget Line Number:</strong> 10</td>
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<td>Personnel - Salary &amp; Benefits</td>
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<td><strong>Role:</strong> PI</td>
<td><strong>Summer</strong></td>
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<tr>
<td><strong>COL Incr Pct:</strong></td>
<td>** Effort Pct:** 17.00</td>
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<table>
<thead>
<tr>
<th><strong>Salary</strong></th>
<th><strong>Fringe</strong></th>
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<tr>
<td><strong>Annualized Salary:</strong></td>
<td><strong>Annual Fringe Amt:</strong></td>
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<tr>
<td><strong>Fixed Salary Amt:</strong> (18,489.00)</td>
<td><strong>Fringe Rate:</strong> 30.00</td>
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<td><strong>Budget Salary:</strong> 18,489.00</td>
<td><strong>Fixed Fringe Amt:</strong> (5,547.00)</td>
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<td><strong>Budget Fringe:</strong> 5,547.00</td>
<td><strong>Avg Effort Pct:</strong> 17.00</td>
</tr>
</tbody>
</table>

**Total Salary:** 18,489.00 **Total Fringe:** 5,547.00
Proposed vs. Committed

- **Proposed effort** is added to the proposal budget at submission stage in the Grants System by department administrators.

- **Committed effort** is added to the award budget screens in the Grants System by Research Office staff after the award is made.
At Award Time

Review effort commitments

- If scope of work is reduced, effort may also warrant reduction
- If PI/CPI/Key personnel exceeded research workload, modifications are required
- If PI/CPI/Key personnel cannot meet committed effort, modifications are required
Entering Data At Award Time

• Once awarded, the Contract and Grant Specialist confirms the proposed effort has not changed and enters the effort percent in the project team table based on information in F101 proposal. (example on next slide)
Project Team Detail

Team Member

- Project: CHEG43214610000
- Description: DOW CHEMICAL BERIS 10
- Start Date: 12/15/2009
- End Date: 12/14/2011
- *Employee ID: 11062
- Email ID:  

Name: Beris, Antony

Remember: 1 month = 8.33% annual effort

<table>
<thead>
<tr>
<th>*Project Role</th>
<th>Project Manager</th>
<th>*Start Date</th>
<th>*End Date</th>
<th>Percentage</th>
<th>Acad</th>
<th>Cal</th>
<th>Sumr</th>
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<td>12/15/2009</td>
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<td>2 EFFORTONLY</td>
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</table>

4.17% effort is committed

Plan to pay ½ month summer salary
Finding Active Commitments

• FIPRT Query for active commitments: GMQ_EFFORT_CURRENT_BY_PI (example on next slide)
# GMQ_EFFORT_CURRENT_BY_PI

FIPRT Query for active commitments

<table>
<thead>
<tr>
<th>Project</th>
<th>Percent Effort</th>
<th>Sumr Months</th>
<th>Eff Start Date</th>
<th>Eff End Date</th>
<th>Funding Source</th>
<th>Title</th>
<th>Proj Start Date</th>
<th>Proj End Date</th>
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</thead>
<tbody>
<tr>
<td>CCZR31211310000</td>
<td>5</td>
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<td>9/1/2011</td>
<td>8/31/2012</td>
<td>Sponsored</td>
<td>NSF EPSCOR CYBER STEINER-DSU</td>
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<tr>
<td>DBIO31217709000</td>
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<td>0</td>
<td>9/1/2008</td>
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<td>Sponsored</td>
<td>NSF EPSCOR RII-2 FED-MANAGE</td>
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<td>8/31/2012</td>
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</tbody>
</table>
Meeting Commitments

- Immediately adjust LAM to allocate effort paid via JED
- Plan for summer salary paid via S-contracts
- Continuously monitor recording of effort
- When commitments require modification
  - change of key personnel
  - extended absences (ex: sabbatical)
  - rebudgeting
  - no-cost extensions – effort commitment carries over
Allocating Effort via the LAM

Non-sponsored Speedtype + sponsored Project = cost-shared effort

Sponsored purpose= effort direct-charged to grant

http://www.udel.edu/research
Recording Effort

- Effort reporting for faculty on academic contracts
  - Period 1: Sept-mid Jan. (fall semester)
  - Period 2: mid Jan. – May (spring semester)
  - Period 3: June-August (summer)

- Effort reporting for everyone else
  - JEDs or S-contracts
    - Period 1: Sept-Feb.
    - Period 2: March-August

http://www.udel.edu/research
## Effort Reports
### Activity by Dollars Section

<table>
<thead>
<tr>
<th>Sponsored Activity</th>
<th>Purpose Description</th>
<th>Account</th>
<th>Project ID</th>
<th>Project Description</th>
<th>Actual Expenses $</th>
<th>Cost Share $</th>
<th>Total $</th>
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<tbody>
<tr>
<td>CANG110000</td>
<td>RESEARCH OFFICE</td>
<td>120200</td>
<td>HNSC32211311000</td>
<td>NIH INBRE 11 ADMIN</td>
<td>$0.00</td>
<td>$1,157.76</td>
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<tr>
<td>CANG110000</td>
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<td>HNSC42212411000</td>
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<td>$1,157.76</td>
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<td>$15,653.16</td>
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<td>$15,653.16</td>
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</tbody>
</table>

- Paid by grant
- Paid by University
Commitments on Effort Reports

• Commitments appear in the ‘Activity by Percentages’ section.
• Every key person with an active effort commitment will get an effort report regardless of employee type (ex: retired faculty). **NEW!**
• All active commitments will appear regardless of whether any effort has been allocated. **NEW!**
• Commitment values are pro-rated if the commitment expires before the end of the reporting period. **NEW!**
• Commitments may represent budgeted summer salary.
• Commitment cancelations may require update of project team page by C&G Specialist.
• Reports may be deleted by Effort Manager if not needed (when no sponsored activity needs to be reported).
## Effort Reports
Activity by Percentages

### Activity by Percentage

<table>
<thead>
<tr>
<th>Sponsored Activity</th>
<th>Project ID</th>
<th>Project Description</th>
<th>Committed %</th>
<th>Grant-funded %</th>
<th>Cost Share %</th>
<th>Total Met</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td>1%</td>
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<td></td>
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<td>0%</td>
<td>0%</td>
<td>0%</td>
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<tr>
<td></td>
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<td>NSF EPSCOR RII C2 2010 STEINER</td>
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<td></td>
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<tr>
<td></td>
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<td>INBRE 10 STATE MATCH STANOPE</td>
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</table>

**Total**

<table>
<thead>
<tr>
<th>Sponsored Activity Total</th>
<th>Committed %</th>
<th>Grant-funded %</th>
<th>Cost Share %</th>
<th>Total Met</th>
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<tbody>
<tr>
<td></td>
<td>84%</td>
<td>59.23%</td>
<td>3%</td>
<td>62.23%</td>
</tr>
</tbody>
</table>

- From Project team page. Combines sponsor-funded & cost-shared effort, so might include summer salary.
- During this rpt period, this much of his total effort is committed to sponsored projects.
- This commitment was met w/a combination of grant funding & cost-share.
Interpreting Effort Report Percentages

Lesson: you can’t confirm a commitment has been completely met by looking at a single effort report.

Must be met over a full budget year.

Amounts met during this 6 month reporting period.
Interpreting Effort Report Percentages

**Lesson:** you can’t assume a commitment hasn’t been met by looking at a single effort report.

Average effort met over 9 months = 15%

- **Period 1 report (covers 4.5 months):**
  - NSF CDI BRIDGING THE GAP PATEL: Committed 10%, Grant-funded 0%, Cost Share 0%, Total Met 0%
  - NSF CIC SUPPLEMENT PATEL: Committed 1%, Grant-funded 0%, Cost Share 1%, Total Met 1%
  - NIH COBRE MOLECULAR PATEL YR4: Committed 50%, Grant-funded 0%, Cost Share 60.61%, Total Met 60.61%
  - Sponsored Activity Total: Committed 61%, Grant-funded 0%, Cost Share 61.61%, Total Met 61.61%

- **Period 2 report (covers 4.5 months):**
  - NSF CDI BRIDGING THE GAP PATEL: Committed 10%, Grant-funded 0%, Cost Share 30%, Total Met 30%
  - NSF CIC SUPPLEMENT PATEL: Committed 1%, Grant-funded 0%, Cost Share 1%, Total Met 1%
  - NIH COBRE MOLECULAR PATEL YR4: Committed 50%, Grant-funded 0%, Cost Share 60.61%, Total Met 60.61%
Pro-rating Commitments

What if the budget period starts or ends in the middle of an effort period?

Ex #1: A new award began 12/1/11 with a 15% commitment of effort. Because the effort report now pro-rates commitments, the period 1 report (covering 9/1/11-1/15/12) lists the commitment as only 5% because the award is only active 1.5 months out of the 4.5 month reporting period. How do you equate 15% of 1.5 months to a percentage of 4.5 months?

Convert question to an equation where x = unknown %.

\[ 15\% \times 1.5 \text{ months} = x\% \times 4.5 \text{ months} \]

Solve for x.

\[ X = \left(\frac{.15 \times 1.5}{4.5}\right) \]

\[ X = .05 \text{ or } 5\% \]
Evaluating Effort Met

Any 12 month budget period will include multiple effort periods. How can you tell if a budget period’s commitment was met?

To evaluate a set of effort reports having equal lengths, calculate the average.

Ex #1: 5% reported on 1st effort report, 15% reported on 2nd effort report. Both reports cover 6 months. Average effort over 12 months = (5+15)/2=10%.

Ex #2: 2% reported on 1st effort report, 6% on 2nd, and 4% on 3rd. All three reports cover 6 months each. Average effort over 18 months = (2+6+4)/3=4%.
Interpreting Summer Effort Reports

Since faculty with 9 month appointments are not obligated to work during the summer months, they can perform anywhere from zero to 3 months worth of effort during this reporting period.

A value of 100% could represent anywhere from 1 day to 3 months, so the % does not provide enough information to determine if a commitment was met.

Use the dollar amount to determine how many months worth of effort were paid. Convert that value to a % of the year by multiplying the number of months by 8.33%. Note that depending on the total number of months worth of pay a person receives in a year, one month of effort may actually be worth more than 8.33%, but it will never be less than 8.33% as long as he/she isn’t paid for more than 12 months in a year.
Interpreting Summer Effort Reports

Ex: A 9-month employee’s full time annual rate is $90,000. Their summer effort report shows 50% effort on grant A and 50% on grant B. Remember, it will always total 100% regardless of how many months were paid. Looking at the ‘Activity by Dollars’ section of the report, you see that $7,500 was charged to both grant A and grant B. This employee’s monthly pay rate is $10K/month, so each of the $7,500 charges paid for 75% of a month.

If we value a full month of effort at 8.33% of the year, then by multiplying .75 * 8.33%, we come up with 6.25% effort met for each grant during this year.
Splitting Effort btwn Summer & AY

Ex: A PI committed 8.33% effort to grant A, but only meets 6.25% by charging the grant for 3 weeks of work during the summer. How much additional effort must she provide during the academic year in order to meet her full commitment?

The difference between 8.33 and 6.25 is 2.08, so she is short 2.08% for the year, but we only have 9 months in which to make that up. We must convert 2.08% of 12 months to a % of 9 months.

Solve for x:

\[ x \times 9 = 2.08\% \times 12 \]

\[ X = 2.77\% \]
Evaluating Effort Met

What if the employee did not fully meet a commitment of effort with summer salary? How do you know if the additional amount of effort reported during the rest of the year is enough to meet the full commitment?

Faculty on AY contracts report effort in two periods of 4.5 months each plus a possible third period of 3 months.

You must use weighted averages to evaluate a group of effort reports having different reporting lengths.
Evaluating Effort Met with Weighted Averages

Dr. Jones reported the following effort on grant A in the past effort year: 2% in period 1, 5% in period 2, and 100% in period 3. Looking at the dollar amount charged to grant A in period 3, we determine that he was paid for 2 summer months. What is the *minimum* amount of effort he has met over this year? What was the *actual* amount of effort he met?

We know that 2 months of pay are worth at least 16.67% of a year. Periods 1 & 2 are equal in length, so we can average the 2% and 5% to get 3.5% for that 9 month span. To average the 16.67% with the 3.5%, we must use weighted averages because they represent portions of different lengths of time.

Solve:  
\[
\frac{16.67\% \times 12 \text{ months}}{12} + \frac{3.5\% \times 9 \text{ months}}{12} = 19.3\%
\]

So we know his effort will be worth at least 19.3% for the year.
Evaluating Effort Met with Weighted Averages

Since we know that Dr. Jones earned a total of 11 months of pay this year (9 academic + 2 summer months), we can calculate the exact amount of effort reported on grant A for this year.

If someone earns 11 months of pay in a year, each month is worth 1/11 or 9.09% of that year, so his 2 summer months are worth 18.18%. To average that with the 3.5% academic time he provided, we calculate

\[
\frac{(18.18\% \times 12)}{12} + \frac{(3.5\% \times 9)}{12} = 20.81\%
\]
Case Study in Rebudgeting Salary

A PI committed 8.33% effort to grant A for a budget year that runs from 11/1/11 through 10/31/12. He plans to take a month of summer salary during the summer of 2012, but in May, he decides to rebudget those funds to cover an additional grad student. What should you put in the LAM to record enough cost-share to meet his 8.33% commitment?

If you can update the LAM before the 5/31 pay hits, you’ll have 5.5 months in which to allocate cost-share.

Question: what % of 5.5 months equates to 8.33% of 12 months?

Solve for x:

\[ x \times 5.5 = 8.33\% \times 12 \]

\[ X = 18.17\% \]
Case Study in Commitments

UD receives an award from NSF in which Prof. X was listed as key personnel with an effort commitment of 5% in each budget year.

Q1: Which statement is most correct?
   1. Her effort over the life of the grant must be at least 5%.
   2. Her effort must average 5% in each budget period.
   3. All effort reports must show 5% while the grant is active.
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Case Study in Change of Personnel

UD receives an award from NSF in which Prof. X was listed as key personnel with an effort commitment of 5%. The award consists of 3 12-month budget periods, with a start date of 9/1/11. After the grant is awarded, Prof. Y actually performs the work planned for Prof. X.

Q2: Which statements are correct?

1. The lead PI must approve this change.
2. Prior approval is needed from the sponsor
3. Requires change of commitment data in PS Grants, proj team pg
Case Study in Change of Personnel

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Q2: Which statements are correct? All of them are correct.
1. The lead PI must approve this change. (YES)
2. Prior approval is needed from the sponsor. (YES)
3. Requires change of commitment data in PS Grants (YES – C&G Specialist does this)
Special Considerations
100% sponsored funding*

UD Policy 6-5

“Non-sponsored funding must be used to support the following effort unless the award documentation clearly allows them: instruction, course development, and advisement of students if not for a specific research award, administrative assignments such as department chair or dean, writing of grant proposals unless for a non-competitive renewal, service on committees or review boards or as a primary journal editor, review of peer manuscripts, fundraising, and lobbying. Since most faculty members participate in activities such as these, it should be extremely rare for any faculty member to be 100% grant-funded”

*Means NO time was spent on non-sponsored activities
Special Considerations
Salary Caps

- Federal Consolidated Appropriations Act limits the rate at which salaries can be directly charged to sponsored projects
- Maximum annual rate of pay at which an individual’s full time effort can be charged
- Not intended to limit the actual salary paid by the institution
- Additional effort must be tracked above what is paid by the sponsor
Agencies with Salary Caps
FY2012

- **National Institutes of Health**
  - $179,700: Executive Level II of the Federal Executive Pay scale
  - Effective 12/11 for new awards – prior cap was higher

- **Department of Defense** (Benchmark Compensation Amount)
  - Applicable to contracts only
  - $693,951: All forms of remuneration for services, and related costs that would be considered fringe benefits

- **Department of Labor – Employment & Training division**
  - $179,700: Executive Level II

- **Department of Agriculture - National Institute of Food & Agriculture**
  - $155,500: Executive Level IV
Salary Cap Implementation

• The effort valued above any salary cap must be tracked in the financial system by adding the award’s project to salary transactions paid by the University.

• The mechanism is the same as it is for recording cost-share, but this pay is not considered cost-share because it is an unallowable cost to the award.
Internally Budgeting the Overage

Dr. Einstein has a 9 month faculty appointment and is committing 1 month of paid academic effort on this NIH project. Dr. Einstein's contracted salary amount is $160,000

1. Annualize salary $160,000/9 = $17,778 * 12 = $213,336
2. Determine 1 month of pay ($213,336 /12 = $17,778)
3. NIH caps @ $179,700 /12= $14,975
4. Determine “cost share” ($17,778 - $14,975 = $2,803)

At the time of proposal, departments should ensure that adequate non-sponsored funding is available to cover the balance when a faculty's salary is over the cap.

www.udel.edu/research/xls/salary_cap_worksheet.xlsx
Budgeting in PeopleSoft @ Proposal

Two Salary Lines to total 1 month ($17,778):

$14,975  SRPERS – Sponsor paid academic salary
$2,803   SRPERS – Salary over the cap (not listed on NIH application)  *Cost share link should be completed and approved via the webform.
Questions?

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