Part 1: Personnel Effort on Sponsored Project Proposals

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SPA EDU 22/23 School Year Sessions

Topic	Course	Date	Time
UVMClick New Proposals	POL036	Sept 27, 2023	9 AM - 10:30 AM
Introduction into Sponsored Project (PDF)	POL012	Sept 29, 2023	2:30 PM - 4 PM
Budget Building for Proposal Development	POL034	Oct 31, 2023	9 AM - 10:30 AM
Reviewing and Understanding Sponsored Agreements	POL039	Nov 15, 2023	1:30 PM - 3 PM
Cost Transfers on Sponsored Projects	POL021	Nov 28, 2023	1 PM - 2:30 PM
Proposal Submission to National Science Foundation	POL043	Nov 30, 2023	9 AM - 10:30 AM
Cost Sharing on Sponsored Projects (PDF)	POL022	Dec 13, 2023	1:30 PM - 3 PM
Sponsored Billing	POL040	Feb 21, 2024	10 AM - 1130 AM
Part I: Personnel Effort on Sponsored Projects	POL042	Feb 20, 2024	10 AM - 11:30 PM
PeopleSoft Tools & Best Practices for Financial Management of Sponsored Projects	CPT075	March 6, 2024	9:30 AM - 11 AM
Part 2: Effort Verification on Sponsored Projects: PI Portal Commitments	CPT044	March 14, 2024	9 AM - 11 AM
Accepting and Managing International Agreements	POL045	March 27, 2024	9:30 AM - 11 AM
Award Acceptance for Sponsored Agreements & Establishment of Advance Accounts	POL020	April 10, 2024	9:30 AM - 11 AM
Sponsored Project Financial Reporting and Closeout	POL024	April 25, 2024	9 AM - 10:30 AM
Outgoing Subawards	POL010	May 22, 2024	1:30 PM - 3 PM
Proposal Submission to NIH in UVMClick	POL038	May 29, 2024	9 AM - 10:30 AM
Trainee and Participant Support Costs		TBD	

https://www.uvm.edu/spa/education-and-learning

Purpose of the Presentation

Part 1: Provide an overview of effort commitment on sponsored projects at the University of Vermont with a focus on UVM policy and federal rules around effort commitment. Discuss practical tips for effort commitments at time of proposal.

Part 2 (March 14th, 9:00-11:00): Managing effort commitments and effort verification of all key and non-key personnel on active awards.

Overview

- Sources of Effort Commitment Guidelines

- UVM minimum effort policy

- Effort commitment on federal awards

- Person Months and Institutional Base Salary

- Practical tips for proposals

- Practical tips for award administration

What Are Effort Commitments?

- "University employees shall provide sponsors reasonable estimates of the effort necessary to carry out proposed projects and meet these effort commitments in accordance with sponsor regulations."

- The endeavor of research and the day-to-day work of a PI does not mesh well with very detailed time accounting. UG recognizes this.

- Balance accuracy, administrative burden, and flexibility

Precision in Effort Reporting

"It is recognized that teaching, research, service, and administration are often inextricably intermingled in an academic setting. When recording salaries and wages charged to Federal awards for Institutions of Higher Education, **a precise assessment of factors that contribute to costs is therefore not always feasible, nor is it expected**"

"Significant changes in the corresponding work activity (as defined by the non-Federal entity's written policies) are identified and **entered into the records in a timely manner**.

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"

Uniform Guidance 200.430 - Documentation Standards of Personnel Expenses

Precision in Effort Reporting at UVM

University Effort Management and Reporting Policy

"The University's <u>level of precision</u> of an employee's effort on each sponsored agreement or activity shall be <u>within 5% of an employee's total effort</u> of the activities included in the IBS."

Example: 10% charged on a grant but the effort fluctuated between 8% and 12% over a 3 month period.

Charging of Salaries and Wages to Sponsored Agreements: Salaries charged to sponsored agreements shall be *based on the planned or actual effort* applied by employee(s) toward those respective sponsored agreements. Wages shall be charged based on actual effort on sponsored agreements and be posted in a timely manner. All necessary payroll adjustments must be made such that the *final amount* charged to the sponsored agreement is accurate, allowable and properly allocated.

Effort Commitment—Where do the rules come from?

- UVM Internal Policy: Effort Management and Reporting on Sponsored Agreements

- Federally Funded Awards

    - Uniform Guidance (or FAR Clauses)

    - Agency Specific Rules

    - Funding Specific Rules

- Non-Federal Awards?

Where Are the Commitments Found?

- Effort Commitments should be clearly described in the proposal and/or award

- **If no effort is committed to sponsor in proposal or award, then there are no effort commitments made to the sponsor** *(Note: If no effort commitments made to sponsor then UVM minimum effort rules still apply)*

- Who's Effort Commitments are "Key?"

  - PD/PI (and MPIs for NIH)

  - Co-PD/PI (NSF, NIFA, NASA)

  - Other specifically named personnel in the award document (NIH)

Minimum PI Effort Requirements

- It isn't required to be cost shared

- It is an average over the budget period

- **1% average for budget period, not 1% for active work period (ex. 1% summer only does not meet the UVM effort policy UNLESS the award is only for the 3 summer months).**

- Should be reflective of when the effort is actually worked

    - Could be full/part of calendar, academic, summer appointment or reflective of field season or needs of SOW

- Requesting a waiver: Ex. Award for director activity and another award covers the same body of work and it doesn't make sense to charge both awards for the same effort. Sponsor acknowledgement needed.

- How to request a waiver—Email to Lindsay Donovan with necessary information

- Exceptions to the minimum effort policy—see effort management policy

Effort Commitment on Federal Awards: Institutional Base Salary (IBS)

- Basis for all effort commitment and reporting

- Base annual salary set by UVM (or UVM/UVMMC for MDs) for an employee's regular appointment + payment for the assumption of on-going administrative duties, howsoever paid, such as those of a department chair, associate dean, or director.

- **Always** normalized to a 1.0 FTE at whatever appointment type an employee has (12 month, 9 month, etc)

- Includes administrative or director type duties

  - For example, a PI has a half-time Professor appointment and half-time Chair appointment, professor appointment has a rate of pay of $100,000 per year for a 1.0 appointment (based on faculty contract) and Chair appointment has a rate of pay of $200,000 per year

  - IBS would be $150,000

- IBS excludes fringe benefits, reimbursed expenses, temporary salary for work outside of one's regular appointment, such as supplemental compensation for overload for Professional and Continuing Education (PACE), and other University compensated activities not included in an employee's performance review or evaluation.

- IBS may not be increased as a result of replacing UVM salary funds with sponsored agreement funds. The IBS of an employee will not be increased during a fiscal year as a result of receipt of salary support from sponsored agreements, clinical income, and other revenues.

- Cannot receive above 1.0 FTE

IBS and Appointment Types

9 month and summer

Caution for summer salary:

- **Cannot charge for summer effort if the effort was not worked during the summer (defrauding Federal Government).**

- Vacation time is not paid time during summer salary pay

- Summer salary is based on the prior contract period IBS

IBS and UVMClick Proposal

- Current IBS will automatically be pulled into UVMClick for most employees

- If IBS is not correct in UVMClick **Department must manually update**

  o Ex. Director electronic additonal payments

- Salary for academic appointment is shown in UVMClick, for summer salary, adjust the appointment type and base for a 3-month salary by dividing 9 month appointment by 3

Effort Commitment on Federal Awards: Person Months

- The number of months an investigator is working on an award in each increment of award (either each year or over the entirety of the award)

- Set, constant value that does not change based on appointment type, FTE, or award length

  - If an award is six months long, at most six person months can be committed, if a PI is only working in the summer appointment, only three person months can be committed

  - Allows UVM and sponsors to compare efforts with a consistent denominator, so for example, a nine month and 12 month faculty or a 1.0 and a .5 FTE faculty show effort commitments in the same way

- Can calculate yearly person months committed by dividing total salary distributed on an award divided by IBS, taking into account summer/acad appointments

- Person Months along with IBS give us a consistent baseline to look at effort commitments

Effort Commitment on Federal Awards: Award Periods

- Effort commitment is a set number of person months per award increment, not a marginal percent effort. If a PI commits 1.2 person months in a year (10% for a 1.0FTE 12 month faculty), then the effort commitment is 1.2 person months of work over the course of the year, not 10% every month for a year

  - Effort allocations should reflect work as performed, e.g. 5% for the first 6 months and 15% in the following 6 months and still resulting in 1.2 person months for that increment.

Effort Commitment on Federal Awards: Award Periods

- Commitments are based on the awarded period, multi-year awards mean the effort commitment is the sum of all person months in the awarded periods

  - So, if the PI on an NSF award proposed two person months per year for three years, and NSF awards all three years together, then the effort commitment is six person months over three years. The PI has three years to fulfill that effort commitment, so long as they are not absent from their role as PI

  - Ensure budget and budget justification have language that supports this flexibility

Effort Commitment Tips: Pre-award

- **ALWAYS** provide effort commitments in person months unless the sponsor explicitly asks for effort provided another way

- For federally funded proposals, clearly and consistently provide effort commitments

- Provide federal budget forms whenever possible

- Be vague but clear

- If appropriate and know at time of proposal, state when effort will be worked: Ex. a grant related to lake ice depth may have a field season and corresponding effort of Dec-March and disengagement for the non-field season.

- For sponsors that fund multi-year awards (e.g. NSF and NIFA), provide cumulative person month commitment in the justification, "6 person months total, with two person months anticipated per year"

- Only provide information requested, if sponsor does not request effort commitment, do not provide one *(Note: requested budget should still include personnel costs necessary to complete SOW and UVM effort policy still applies)*

- Non-federal sponsors often do not need effort commitments, especially with fixed price agreements

Effort Commitment Tips: NCEs

- NIH: No prior approval is needed for effort changes so long as measurable effort is maintained

- NSF (and other agencies that award multi-year): Effort commitment during NCE period is not based on adding new effort to the award.

  - If we committed six person months over three years and receive an NCE, commitment is now six person months over four years

  - UVM effort policy still applies, so the average 1% minimum is not waived during NCE.

Effort Commitment Tips: Absences and Reductions

- Who requires prior approval? Look at NSF prior approval matrix

- Effort reduction calculations are based on anticipated (prior approval) versus committed person months in an award increment, not marginal percent effort

- What was communicated to the sponsor during the proposal?

  - Limiting information in the proposal, when not required, reduces the need to obtain prior sponsor approval if there is a reduction or absences of effort of key personnel.

  - We still want to provide tools to help manage effort throughout the award. Therefore, when a sponsor does not require commitment details, and none are provided in a proposal, SPA will still set up the commitment information provided in UVMClick for post award effort management purposes.

- Be sure to sign up for Part 2: Managing Effort on Sponsored Projects

  - March 14th, 9:00-11:00

  - PeopleSoft Course Number: CPT044

Resources

- UVM Effort Policy: http://www.uvm.edu/sites/default/files/UVM-Policies/policies/effortreporting.pdf

- Federal prior approval matrix: https://www.nsf.gov/bfa/dias/policy/fedrtc/appendix_a.pdf

- Uniform Guidance: 2 CFR 200: https://www.ecfr.gov/cgi-bin/text-idx?SID=ed90f54836feb6a994f657188eb05e33&node=2:1.1.2.2.1&rgn=div5#se2.1.200_1419

Questions?