

# **Guidance on Determining and Reporting Effort Associated with Sponsored Projects UW-Madison**

**March 1, 2005 (revised April 21, 2005, June 9, 2005, and June 14, 2006)**

Guidance recommendation approved by the Research Policy Advisory Council (RPAC).  
RPAC recommendation accepted by the Vice Chancellor for Research.

## **I. Background**

UW-Madison maintains policies and procedures for faculty and staff to report effort expended for sponsored projects and for recovering salary from project sponsors. Clinical practice introduces an additional element in effort reporting and salary recovery.

This guidance provides definitions of faculty and staff effort and guidance on how to interpret and report such effort. See **Appendix 1** for a glossary of special terms and conditions related to effort reporting.

## **II. Goals of Guidance**

1. Comply with Circular A-21 of the federal Office of Management and Budget and other relevant regulations.
2. Provide clear direction to faculty and staff for determining effort when preparing proposals and subsequently verifying effort.
3. Ensure alignment between faculty and staff activity and funding sources to the maximum extent possible and in so doing enhance work at UW-Madison.
4. Track and confirm certification of effort by University personnel.

## **III. Appointment and Accountability of Faculty and Staff**

Faculty and staff of the UW-Madison are appointed by the University to perform a unified set of duties encompassing all forms of academic work, with one or more departments or centers designated as the faculty or staff member's appointment home. Specific duties are delineated at the time of initial appointment and modified as necessary by the department chair(s) and the faculty or staff member over the course of the appointment.

## **IV. Aligning Effort and Compensation**

Faculty and staff conduct research, instruction, extension, and service and seek extramural support from federal and other sources; some extramural awards include

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salary support for the effort expended on projects. Doing so requires the faculty or staff member to:

1. calculate the amount of effort to be expended on a project relative to all other academic activities and express this effort as a percentage, and
2. assign an amount of compensation associated with this activity.

The expectation of the UW-Madison is for faculty and staff to calculate their total academic activity, including teaching, research, extension, and service, and to align this activity with their compensation received from the University. For each funded project, faculty or staff calculate their projected effort on the project as a percentage of their total academic effort, multiply this percentage by their University provided compensation and thereby determine the amount of salary support requested in a grant proposal.

For Medical School clinical faculty, clinical activity and clinical compensation are presently excluded from effort calculations and from compensation calculations due to the structure of compensation and employment of these faculty at UW-Madison. (See **Appendix 2.**) This decision allows academic effort and academic compensation to be aligned. It is acknowledged that both effort and compensation can overlap between the clinical and the academic realms; however, the language of Circular A-21(J.10.b) clearly anticipates this circumstance in its statement that effort calculations can be imprecise and tolerance in calculations is acceptable. The UW-Madison guidance on determining and reporting effort provides a coherent framework to prepare proposals for extramural funding and for reporting effort thereafter.

Faculty and staff in schools and colleges other than the Medical School who engage in clinical practice are not members of a separate practice corporation and therefore include clinical practice in their total academic effort as defined above and calculate compensation on the basis of their compensation received from the University. Faculty or staff with extension appointments should include extension activities as part of their total academic effort compensated by the institution.

### **V. Determining Effort**

Faculty and staff should apportion their effort based on the composite of all activities they perform as part of their University appointment. There is no universal measure for academic effort transcending research, teaching, extension, and service; thus, each composite of effort is unique to the individual. Service may include outreach, administration, public speaking, and other activities on behalf of the University. Each faculty or staff member must, however, have a coherent accounting of effort. Faculty and staff do so by calculating how they devote their time to each of their major activities, averaging over some period of time, usually 6 months, and allowing for fluctuations in duties, e.g. one-month assignments for teaching. Such calculations must be internally consistent so that, if asked, a faculty or staff member can explain to an inquirer that in a typical week they estimate the approximate amount of time they spend in research, in

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teaching, etc. and how the sum of these equals 100% of their effort. See **Appendix 3** for an example for a 9-month (C-basis) appointment and **Appendix 4** for an example for a 12-month (A-basis) appointment. **Appendix 5** is a list of items that may affect an individual's effort and effort certification.

Faculty or staff who have committed effort to a sponsored project or anticipate doing so should perform an effort allocation at least annually as described above. In addition, faculty and staff should revise and plan how effort will be allocated when submitting a new proposal that commits their effort.

## VI. Proposals for Extramural Salary Support

1. UW-Madison maintains policies regarding the relationship between faculty and staff effort committed to extramurally funded projects and salary recovered from the extramural source as part of the award.
2. There should be a correspondence between the actual effort to be expended on a grant and the requested salary recovery. If the requested salary support (defined as Committed-Paid) is less than the stated effort (defined as the sum of Committed-Paid + Committed-Unpaid), the PI must complete Cost Sharing Documentation UW Form 80-2. (See **Appendix 6**.) Individual schools and colleges may adopt policies requiring minimum levels of salary recovery relative to committed effort (Committed-Paid as % of total committed effort).
3. Except for career development awards that commonly require a 50-75% commitment from the PI, proposal requests for greater than 50% effort on a single project need careful consideration.
4. Faculty cannot commit 100% of their effort on sponsored projects, as time must be reserved for other academic duties.

## VII. Special Circumstances

### 1. External Consulting

UW-Madison faculty and staff engage in consulting 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 total academic activity. Generally, the chair (or center director) and the faculty or staff member determine what teaching, research, and other duties need to be performed to fulfill the employment commitment to the University, and the faculty or staff member may consult as long as these commitments are met. There are also disclosure requirements imposed by the University regarding outside activities. In some instances, the faculty or staff member and the chair may reduce the appointment to accommodate consulting, in which case effort calculation continues to be based on total academic activity with respect to the new appointment percentage.

## 2. Faculty and Staff on C-Basis (9 month) Appointments

Those who do not have an institutionally appointed summer salary should calculate effort for the period of time they are engaged in academic activity, i.e. 9 months augmented by the time paid by grant funds, and the salary basis for seeking support is based on 9 months salary rate. Those on flexible C appointments should consult with their respective Dean's office to budget and report effort on sponsored projects since variations in calendar reporting may be needed to accommodate accurate reporting. (See **Appendix 3.**)

The Board of Regents requires that any faculty, academic staff, or limited appointee on an academic year (C-basis, 9-month) appointment receiving more than 2/9th salary during a summer appointment must obtain prior approval from the appointee's Dean or Director (requirement of UW System Academic Planning Statement [ACPS] #4). It is the policy of the UW-Madison that any faculty, academic staff, or limited appointee on an academic year (9-month) appointment may not exceed eight months summer salary over any three-year period.

## 3. Part-Time Faculty or Staff, Including VA Appointments

A faculty or staff member who has a part-time appointment should calculate effort as a percentage of their total UW employment and follow the calculation outlined in IV.1 and IV.2. For example, a person appointed at 70% and committing one half of their total effort to a research project would report 50% effort on the project and multiply 0.5 by their total University salary to recover salary costs on a research project. Note that effort will change and must be revised if the % appointment changes. Medical School faculty may also be employed by the Middleton Veterans Administration Hospital. Such faculty are appointed by the University at less than 100% to allow for the VA appointment and should calculate effort and recover salary costs on University research projects as faculty with part time appointments do.

## 4. "Zero-dollar" Appointments

Some non-UW employees (such as USDA-ARS scientists or State Lab of Hygiene) may have departmental appointments (or even tenure) at UW-Madison with zero pay. Since effort reporting is linked to the salary system and auditing follows the payroll and supervisory links, those faculty and staff without University paychecks will be unable to report effort since this effort cannot be captured on the University system. Emeritus faculty who are compensated from grant funds can report this funded effort.

## 5. Cross-College Relationships

A UW-Madison faculty or staff member named in the personnel section of a research proposal may be based in a School or College different than that of the PI. In such cases, approval from the research administration office of the non-PI's department or college must be obtained and verification included with the proposal submitted by the PI to his/her college.

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### 6. Formula Funding

As a land-grant campus, UW receives two sources of federal formula funding from the USDA:

- 142 fund (Hatch, McIntine-Stennis and Animal Health) research funding
- 143 Smith Lever Extension funding

For fund 142, an internal competition awards funds to projects that are set up as separate accounts and require an institutional match. For some of these projects, salary is paid (primarily to graduate students), and federal forms are filed showing effort for those on projects (even if not paid on project funds). Institutional match is not required project by project but is auditable in the aggregate.

For fund 143, salaries and other expenses reach UW-Madison through an inter-institutional agreement with UW-Extension.

Effort on 142 and 143 funds will be included in the effort reporting system. Form 80-2 will be completed to capture unpaid effort that is cost-shared so the institutional match can be certified and included in totals.

### 7. NIH Modular Proposals

NIH modular applications do not require that effort be identified as either paid or committed voluntary (or a combination of both) in the proposal, but it is strongly recommended that investigators document their intentions at this stage. For instance, if an investigator lists 20% effort in the modular budget justification and intends to draw 10% salary from the award, s/he should be aware of the need to document the remaining 10% as committed voluntary cost sharing, and of the fact that this commitment dilutes the University's indirect cost recovery.

### 8. Percent Effort vs. Person Month Metrics

The NIH, NSF, and some other agencies require that personnel list their effort commitments on projects by indicating the number of calendar, academic, and/or summer months rather than the percentage of effort dedicated to the project. The person months figure can be translated into percent effort for reconciliation with effort reports by dividing the number of person months indicated by the number of months in the period covered. For instance, if a c-basis faculty member has committed 2.5 months of her academic year (9 month) effort to a project, the percent effort of that commitment is 2.5 months divided by 9 months or 27.78%. A tool for converting between these two systems is available on the Research and Sponsored Programs web site (<http://www.rsp.wisc.edu/PMconversion.xls>).

## Appendix 1

### Terms and Definitions

In this section, the A-21 Circular definitions of effort are described in detail. These definitions will be used independent of funding source. Please refer to the included figure that shows the relationship between forms of effort, and when such effort must be reported, ergo tracked, and is subject to audit.

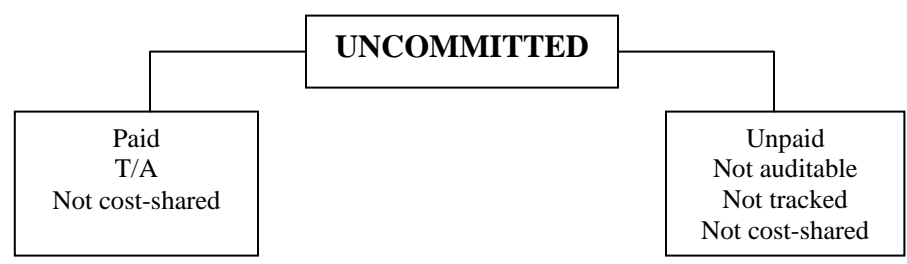
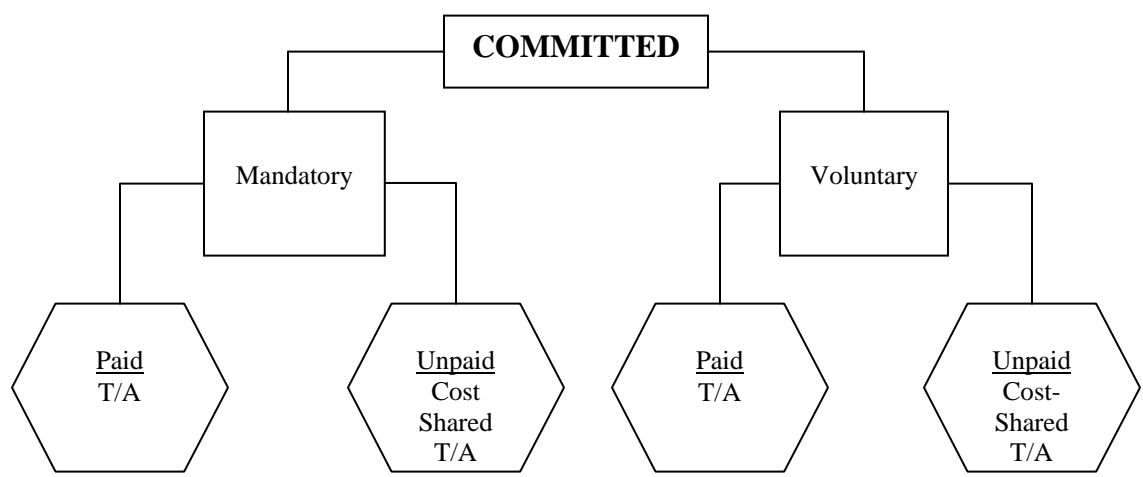
*Committed Effort, Mandatory:* Such effort is a required element of the sponsored research and is so stated by the awarding agency. This effort must be reported and tracked and is subject to audit.

*Committed Effort, Voluntary:* Such effort is the most common. For example, if, on a grant, the PI, Co-PI, or Co-I's indicate that they will be providing 20% effort of which 10% effort will be cost recovered on the grant, the 10% effort that is compensated is Committed:Voluntary:Paid. As such, it must be tracked by the effort reporting system and will be subject to audit. In this case, the remaining effort, 10%, which is uncompensated, is considered Committed:Voluntary:Unpaid. This effort is considered cost-shared, must also be tracked, and will be subject to audit. Note that in this case a Form 80-2 must be completed for this effort component. Importantly, such effort is considered cost-shared by Federal agencies and as such dilutes the University's Indirect Cost Pool basis. This is a serious negative result and should be avoided, as it will ultimately reduce the IDC rate.

*Uncommitted Effort, Paid:* Such effort is not listed in the original or revised budget for an extramural award. This effort and compensation may require consultation with and approval of the funding entity. If the effort is compensated, it must be tracked and will be subject to audit.

*Uncommitted Effort, Unpaid:* This effort, not listed in the original or revised award budget, is not subject to effort reporting requirements, nor must it be tracked, nor is such effort subject to audit.

How We Capture Effort  
3/10/2004



T/A: Must be *tracked* and is *auditable*

## Appendix 2

### **UW-Madison Medical School Clinical Faculty: Billing and Compensation Structure**

UW-Madison Medical School Clinical Faculty have received payment for their clinical services outside the legal structure of the UW-Madison and the UW System for many years via separate legal structures created by and substantially controlled by the Board of Regents. This role is now played by the University of Wisconsin Medical Foundation established in 1996 by the Board of Regents to create the unified and single organization for managing funds from all clinical services provided to patients by the clinical faculty of the Medical School. All Medical School clinical faculty are required to use UWMF as their sole source of compensation for clinical services. In turn, UWMF may only compensate physicians who have Medical School faculty appointments.

Thus, Medical School clinical faculty obtain compensation from the University as all other faculty do and receive a second salary from UWMF. All compensation from UWMF is distributed through the academic department structure of the Medical School that includes a chair appointed by the Dean, a compensation plan approved by the University and by UWMF and a compensation committee.

The structure and role of UWMF is prescribed by the Board of Regents agreement to create UWMF of 1995 and the UWMF Bylaws of 1996, and amended in 2001.

### Appendix 3

#### Example for 9 month (“C”) appointments

Full-time faculty or staff (when grant funds pay one additional month of summer salary)

In grant proposal (depending on the agency budget forms):

- If summer is a separate budget period, use 1/9 of “C” basis for monetary value and 1 month as time period (no effort listed during academic year).
- If annual budget form, use 1/9 of “C” basis for monetary value and 10% (1 month out of 10 months effort (9 months “C” basis + 1 month summer)) as % effort.

In reporting effort:

#### a. 9 month reporting periods (Semesters I and II) – nothing committed to grant

Activity	Description of activity	Effort assigned	Explanation
Teaching A	Organize and teach sections of undergraduate course	65%	Estimated percent effort averaged over the months of academic year effort.
Teaching B	Course Director and deliver some lectures	15%	Approximately 1 day per week averaged over the academic year in preparation, administration, or classroom. Actual time varies considerably month-to-month.
Research		0%	
Administration/Other professional activities	Serve on several department committees, give 20 outreach lectures per year	20%	Can fluctuate, averages in this range.

#### b. Summer reporting period – requires certification

Activity	Description of activity	Effort reported	Explanation
Teaching/Service/ Professional activities	Writing, peer review, personal development	50%	Not committed or paid but part of academic efforts
Research	1 grant	50%	Half-time over two months of summer effort

## Appendix 4

### Example for 12 month (“A”) appointments

Full-time faculty or staff (when grant funds pay 10% of salary)

In grant proposal (depending on the agency budget forms):

10% effort with a value of 1.2 months of salary (may be divided into academic year and summer commitments for total of 1.2 months or average of 10% over year)

In reporting effort (assuming consistent grant effort throughout year as planned in proposal):

May be modified for teaching periods but averages over year are

Activity	Description of activity	Effort assigned	Explanation
Teaching A	Organize and teach sections of undergraduate course	65%	Estimated percent effort averaged over reporting period.
Teaching B	Course Director and deliver some lectures	15%	Approximately 1 day per week averaged over reporting period in preparation, administration, or classroom. Actual time varies considerably month-to-month.
Research		10%	Effort on grant averaged over reporting period.
Administration/Other professional activities	Serve on several department committees, give 20 outreach lectures, peer review	10%	Average over reporting period.

## Appendix 5

Many items may affect the efforts and certification of effort for individuals. The preceding examples are simple and illustrative, but not complete. In addition, all faculty and staff efforts are dynamic in time and changes in effort should be reflected in reporting. Addition of new activities can change reporting effort on all activities.

Additional considerations in the effort reporting and certification include:

- Paid-time on grants during the academic year for “C” basis appointments (“buyouts”)
- Initiation of new activities that change ongoing commitments
- Changing grant efforts during reporting periods
- Multiple grant efforts with varying start and end dates
- Reporting and calculations for individuals that include clinical efforts
- Appointments with VA or other entities outside UW-Madison
- Part-time appointments
- Cost-sharing commitments
- Rearranging of efforts for sabbaticals, temporary assignments, etc.

## Appendix 6

### Form 80-2

#### FEDERAL PROJECT COST-SHARING DOCUMENTATION

NAME OF COST-SHARED EMPLOYEE \_\_\_\_\_  
 (Only one record per individual)

SOCIAL SECURITY NO. \_\_\_\_\_

PROPOSAL NO. \_\_\_\_\_ OR FUND ACCOUNT (if known) \_\_\_\_\_

FEDERAL AGENCY \_\_\_\_\_

TITLE OF PROJECT \_\_\_\_\_

\_\_\_\_\_

COST-SHARING PERIOD \_\_\_\_\_ THROUGH \_\_\_\_\_

COST-SHARING PERCENT \_\_\_\_\_ % (Whole numbers only, no fractions)

COST-SHARING SOURCE:

Fund \_\_\_\_\_

Account \_\_\_\_\_

Unit-Div-Dept \_\_\_\_\_

Activity \_\_\_\_\_

PERSONNEL ACTIVITY CODE:

\_\_\_\_\_ A - Annual

\_\_\_\_\_ C - Academic

\_\_\_\_\_ X - Acad. Summer

\_\_\_\_\_ H - Classified

<u>CLASS CODE:</u>	<u>TITLE DESCRIPTION</u>	<u>FRINGE BENEFIT INDICATOR</u>
_____ 1X11 OR 1X19	(Faculty or Academic Staff)	1
_____ 1x17	(Research Associate)	3
_____ 1x71 or 1x81	(Teaching, Project, Program or Graduate Assistant)	3
_____ 1x61	(Research Assistant)	4
_____ Other	_____	_____

**REQUIRED APPROVALS**

Chair/Director	Date
Dean/Director	Date