



UNIVERSITY OF ILLINOIS

AT URBANA-CHAMPAIGN

2015 BUSINESS LEADERSHIP CONFERENCE

Effort Reporting and Institutional Base Salary Discussion

Panel Facilitators:

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A Shared Vision

Today's Agenda

- Review Institutional Base Salary Definition and proposed CAM Effort Policy
- When does effort become cost sharing and discuss how that is tracked and reported
- Discuss the University's Activity Reporting System and its role in recording effort
- Selected Examples will be provided
- Q & A with the panel

Problems Identified with Sponsored Effort 2012

- Effort on sponsored projects was not aligned with payroll.
- “Unallowable activities” were being conducted during periods funded by sponsored projects, e.g. grant-writing, administration, teaching, committee work, student advising.
- Discrepancies existed among effort, payroll, confirmations.
- Committed effort was sometimes untracked/unreported.
- Realignment of effort was not consistently executed.
- No definition of Institutional Base Salary (IBS) existed.

Examples of Problems

- An individual on a nine-month appointment charges three months of salary to his grants during the summer, while spending time writing grant proposals, preparing his course for the fall semester, and chairing a search committee.
- An individual on a twelve-month appointment, whose salary is charged 100% to sponsored projects, teaches a course for the home unit and is paid SIE for this.
- A faculty member budgets one month summer salary on a grant, then uses the funds to pay a student instead of taking the summer salary, creating discrepancy between committed and actual effort.

Policy Development

- SCERP met from November 2012 to August 2013
- Recommendations discussed with Provost and VCR August – November 2013
- Implementation Committee convened in May 2014
- Policy development completed November 2014
- CAM approval imminent
- Implement recommendations in Spring 2015 to be ready for Summer 2015

Policy Requirements

The VCR and Provost approved the Effort Policy, including the following principles.

- IBS includes regular FTE salary and endowed professorship stipends
- Align effort with pay
- Limit sponsored project effort to 95%
- Track commitments

ICER was charged with finalizing the policy and implementation, including a communications plan.

Institutional Base Salary (IBS)

Proposed Definition for CAM: The annual compensation the University pays for all activities performed as part of the employee's university appointment, including, as applicable, research, teaching, and clinical practice.

Specifically, IBS includes:

- Regular salary
- Endowed chair or professorship stipend
- Paid professional leave (pay for sabbatical, vacation, and sick leave – not including sick leave payouts when departing from the University)

IBS excludes:

- Administrative stipends
- Summer salary for 9 or 10-mo appointees
- Services in excess payments
- Royalties paid by the University
- Reimbursements
- Any compensation for external professional activities

“University Effort” means an employee’s entire professional workload performed for the University .

All of the types of compensation below are part of “University Effort”. However, not all types compensation for “University Effort” are included in “Institutional Base Salary”.

“Institutional Base Salary” (or “IBS”) includes:

- (1) Regular salary
- (2) Endowed chair or professorship stipends
- (3) Paid professional leave (pay for sabbatical, vacation, and sick leave, excluding terminal sick leave payouts)

Some types of compensation received for “University Effort” are **NOT** included in IBS.

Examples are:

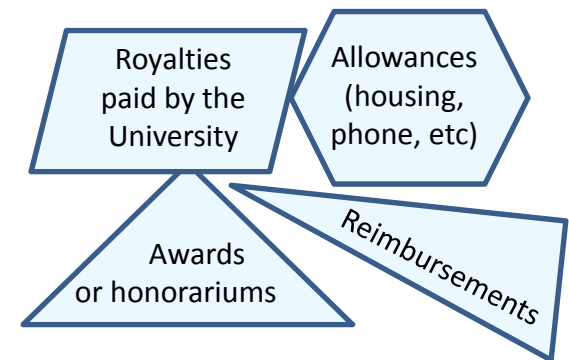
Summer salary for non-12 mo. appointees

Administrative stipends

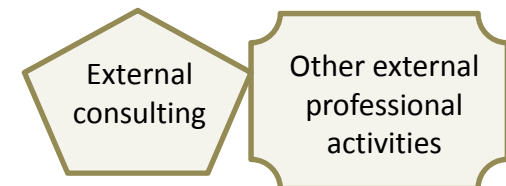
Service in excess payments

Incentive or merit pay

Types of compensation that may be received from the University, but are not part of “University Effort”:



Types of external compensation (not received from the University):



Effort Policy

The Principal Investigator (“PI”) is responsible for confirming that reporting on Actual Effort for his/her sponsored project is accurate with respect to each faculty or staff member whose efforts are included, regardless of whether salary support was requested.

Unit business officers and staff in Grants and Contracts Office (“GCO”) shall work with the PI to complete effort confirmations in accordance with this policy.

Effort Policy, Continued

- The level of Committed Effort for the PI or senior personnel may only be adjusted consistent with the terms and conditions governing the sponsored project.
- “University Effort” means an employee’s entire professional workload performed for the university, including work on Sponsored Projects and Non-Allowable Activities, regardless of appointment percentage, compensation, or the source of funds.
- Non-Allowable Activities shall not be charged to sponsored projects.

Changes in Committed Effort

When there is a change in the Anticipated Committed Effort for a sponsored project, the investigator must work with staff in Post-Award to:

- (1) determine whether there is a requirement to notify the funding agency, and
- (2) revise the committed effort and notify the agency if necessary

Limit on Sponsored Effort – 95%

- In recognition that tenure-track faculty members are required to participate in Non-Allowable Activities, a tenure-track faculty member shall not devote more than 95% of his/her University Effort to Sponsored Activities during any given appointment period.
- Academic professional staff, civil service staff, and faculty of other ranks who also engage in Non-Allowable Activities shall devote no more than 95% of their University Effort to Sponsored Activities during any given appointment period.
- Non-Allowable Activities shall not be charged to sponsored projects. Non-Allowable activities include general administrative work, proposal development, committee service, teaching and teaching preparation.

Narrowly Defined Positions

- Academic professional staff, civil service staff, and specialized faculty whose responsibilities set forth in their position descriptions are narrowly defined and solely devoted to specific Sponsored Projects, with no Non-Allowable Activities, may devote 100% of their University Effort to Sponsored Projects during any appointment period.
- The unit may use a form to document this understanding.

Appointments

- Salary should be charged to coincide with the time when the work is performed
- Summer salary should be commensurate with actual effort provided during the summer appointment period
- If a portion of summer salary is charged to one or more sponsored projects, then the actual effort (work) of the employee for each project should be commensurate with the portion of salary charged to each project

Percentage of Effort

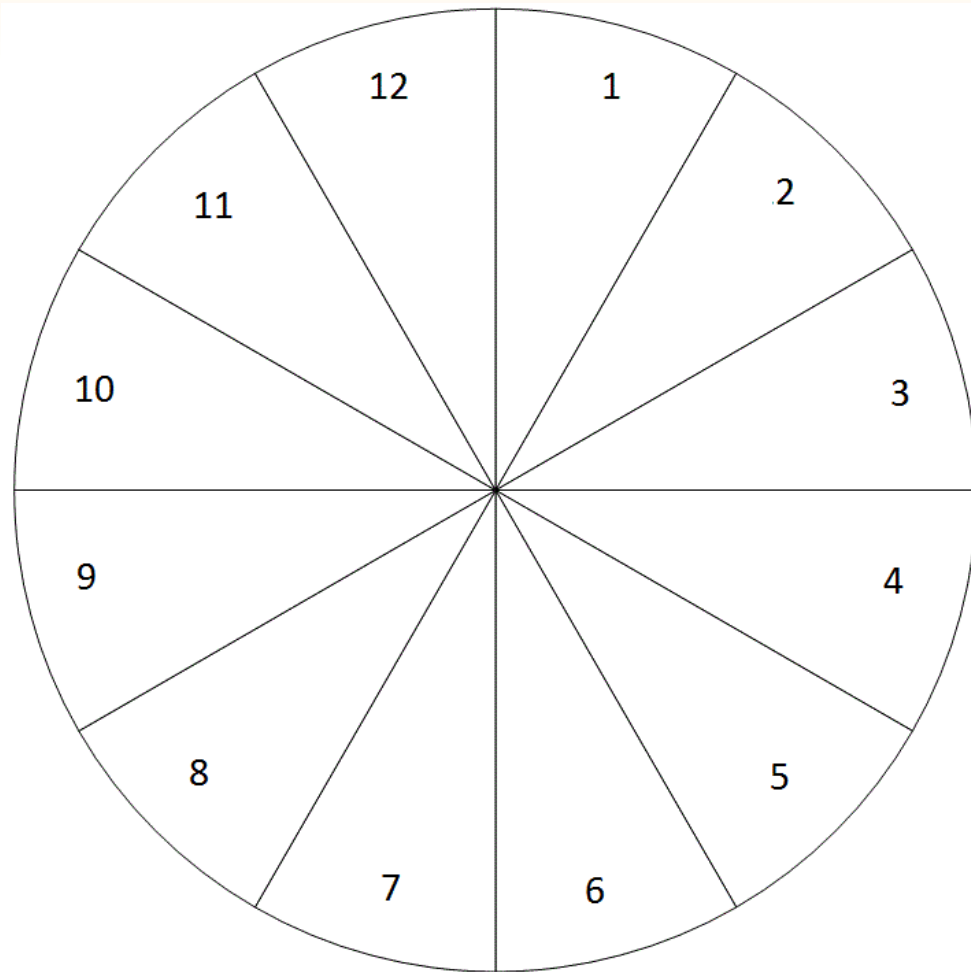
How is this calculated ?

Don't be afraid! It's just math.

To calculate the effort percentage, you need to know the underlying appointment length

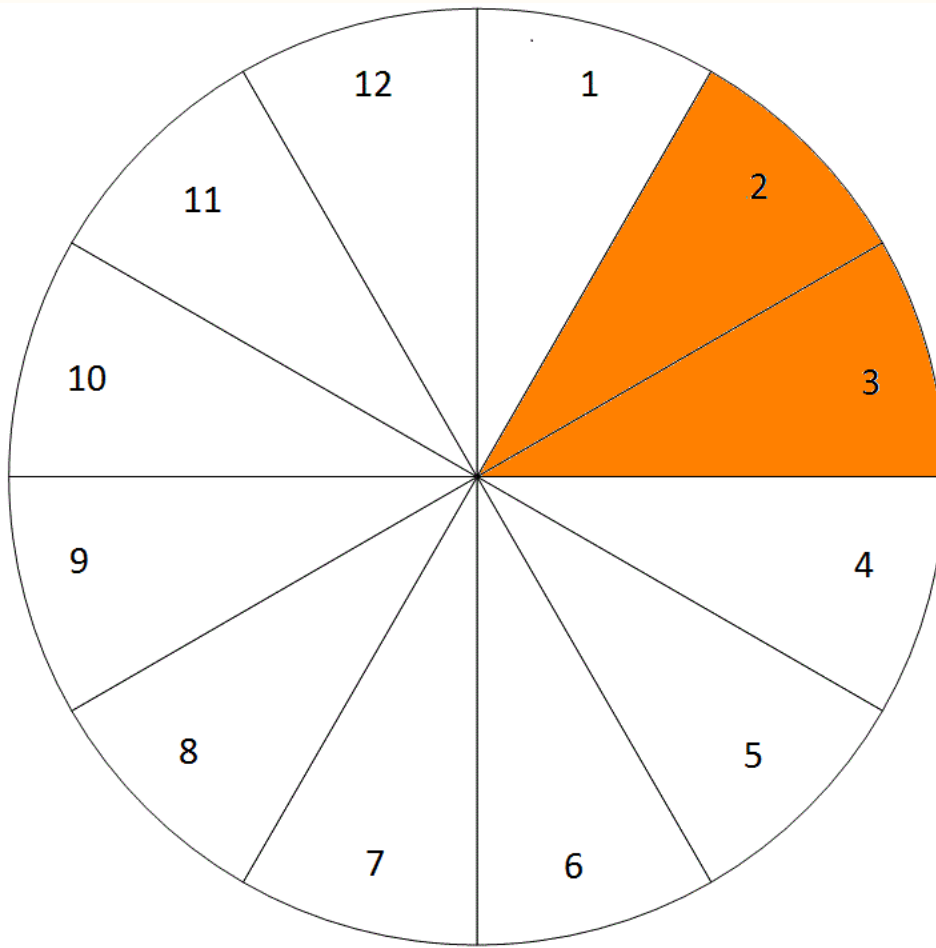
- Annual appointment length
 - Most common are for :
 - 9-month service
 - 12-month service
- Summer appointment length
 - Varies, may be for service ranging from a partial month to 3 full months

12-month appointment



Visualize each month
of the 12-month
appointment period as
an equal segment

12-month appointment



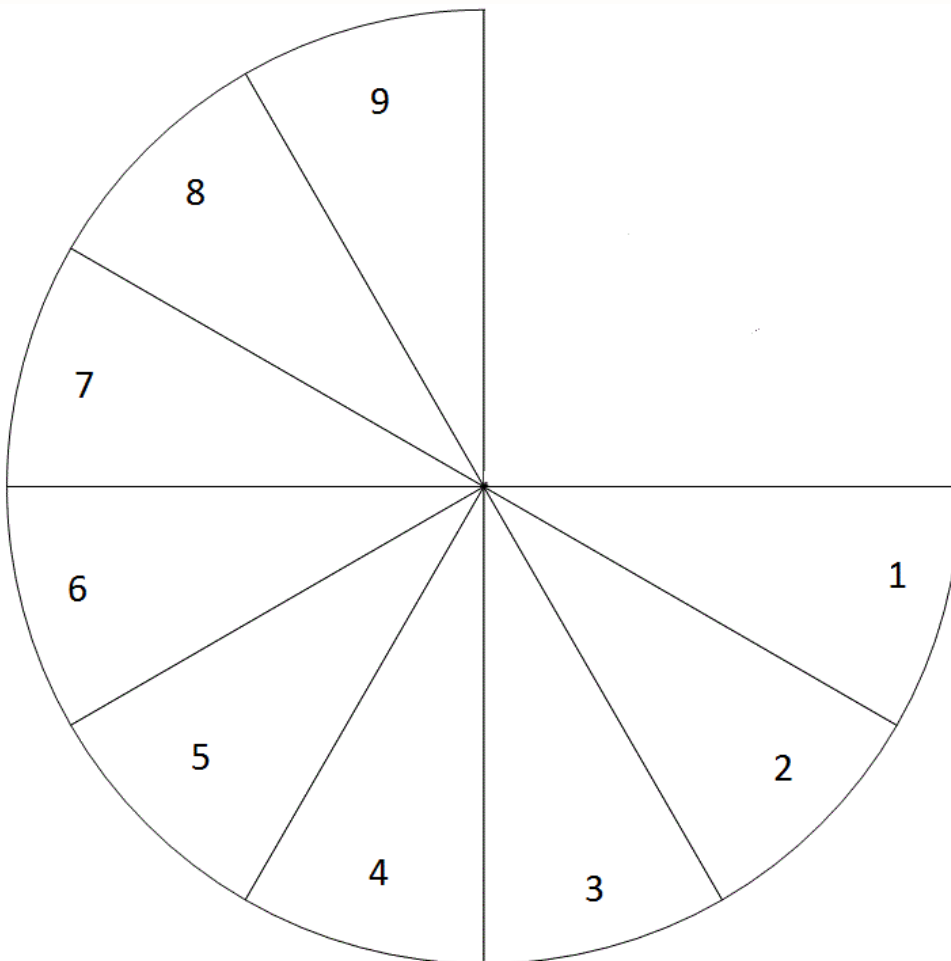
Effort percentage is calculated by dividing the number of months effort (work) is committed by the number of months in the underlying appointment period.

For example:

2 months effort is committed during a 12-month appt

$2 \div 12 = 16.66\%$ effort
(approx 17%)

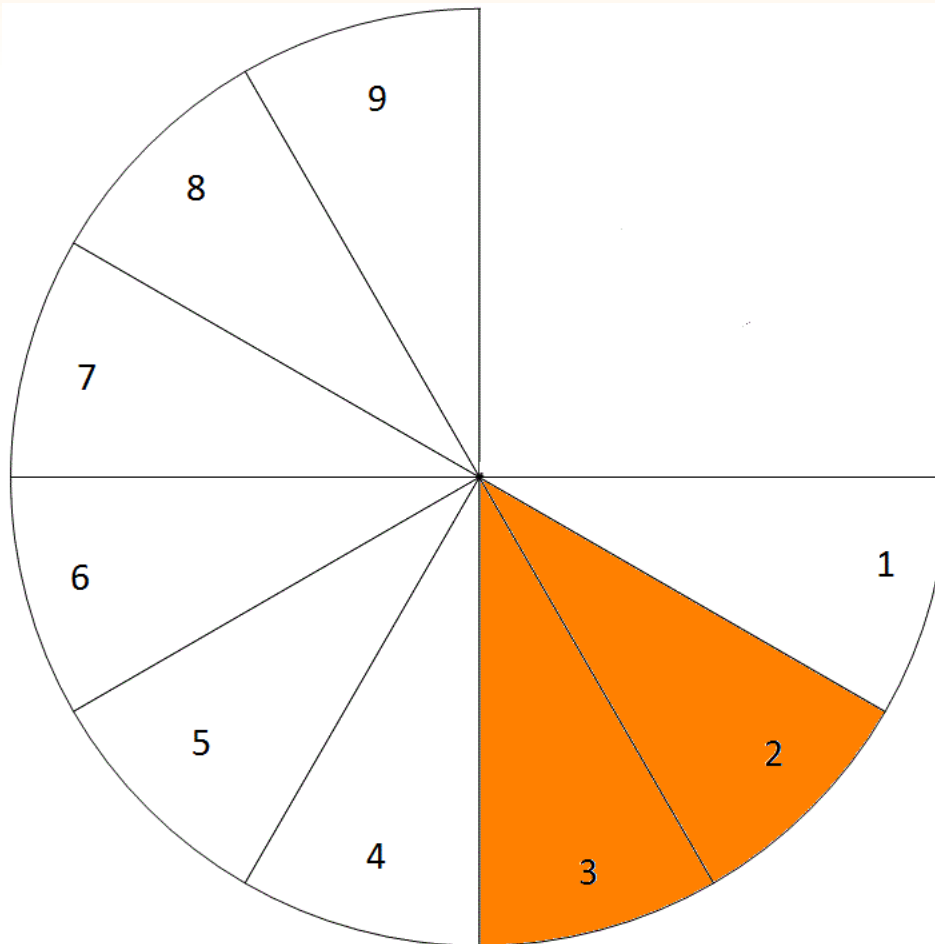
9-month appointment



Visualize each month of the 9-month appointment period as an equal segment

There are fewer “pieces in the pie” to consider when calculating effort provided during a 9-month appointment period.

9-month appointment



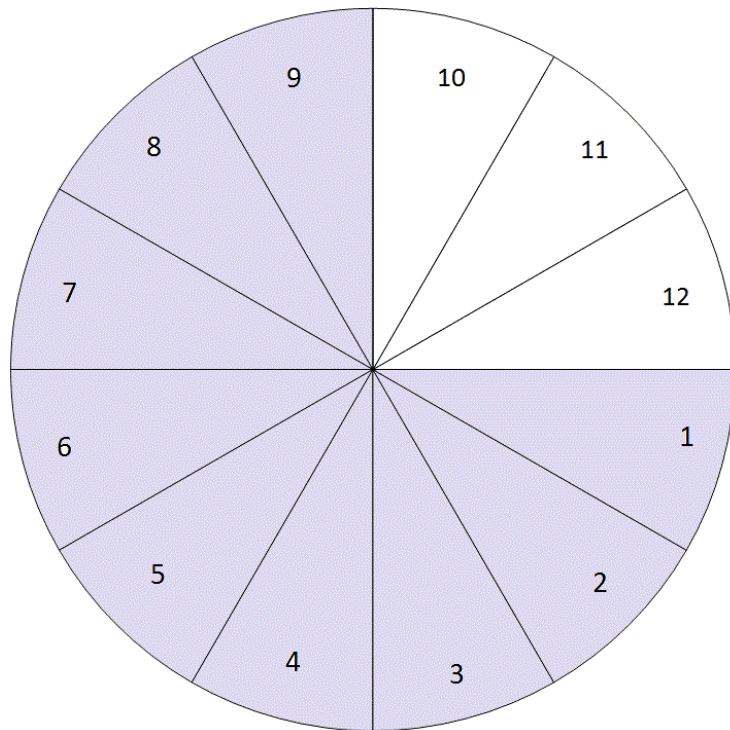
No change in the calculation methodology. Effort percentage is again calculated by dividing the number of months effort (work) is committed by the number of months in the appt period.

For example,
2 months effort is committed during a 9-month appt

$$2 \div 9 = 22.22 \% \text{ (approx 22\%)}$$

9-month appointment

What if your sponsor asks for effort to be reported over a calendar year (12 continuous months) and the person has a 9-month appointment?



9 month appointment annualized over 12 continuous months = $9 \div 12$ or 75%

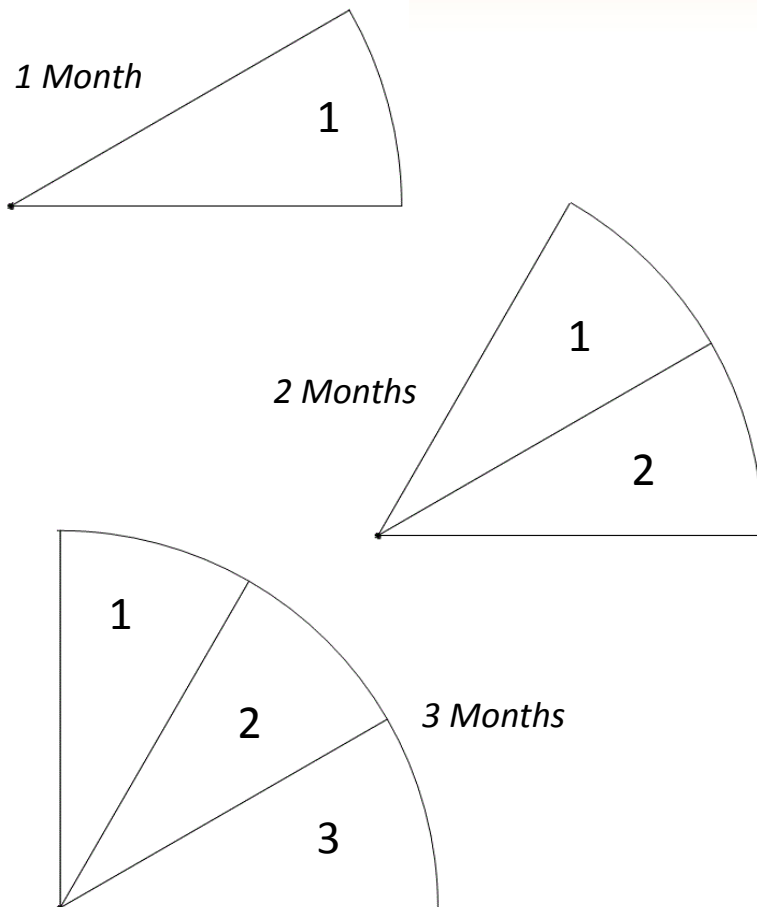
Effort percentage during the 9 month period must be multiplied by 75% to *annualize* the effort percentage over a 12 month period.

For example,

3 months effort is committed during a 9-month appt

$3 \div 9 = 33.33\%$ effort over the 9 mo appt
 $(3 \div 9) * 75\% = 25\%$ effort *annualized* over 12 month calendar year

Summer appointments



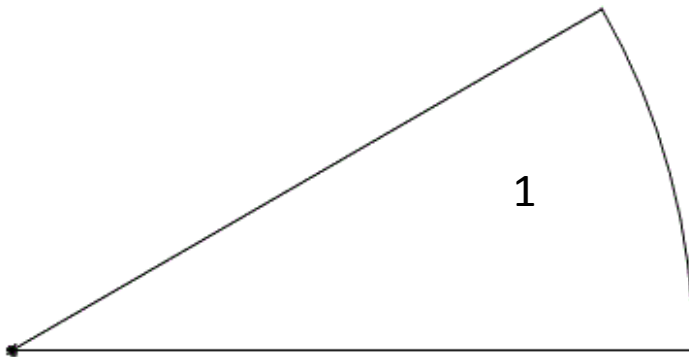
Visualize again segments from the “pie” which is the length of the appointment.

The calculation of effort percentage depends on knowing the length of the underlying appointment period.

Is the summer appointment for 1, 2, or 3 summer months? (or perhaps a partial month?)

Need to know this for an accurate calculation.

Summer appointment – 1 month

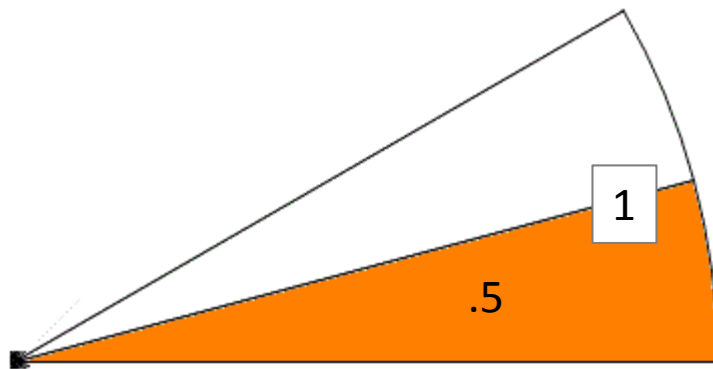


In this example, the summer appointment is for 1 month

There is no change in the calculation methodology.

Effort percentage is again calculated by dividing the number of months committed by the number of months in the appointment period.

Summer appointment – 1 month



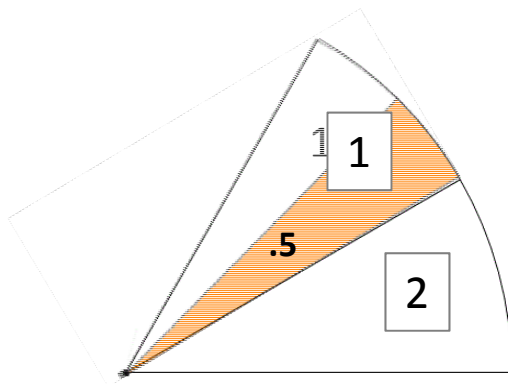
In this example, the summer appointment is for 1 month and the

Effort commitment is one-half of a summer month during this 1-month summer appointment period

$$.5 \text{ mo} \div 1 \text{ mo} = 50\% \text{ effort}$$

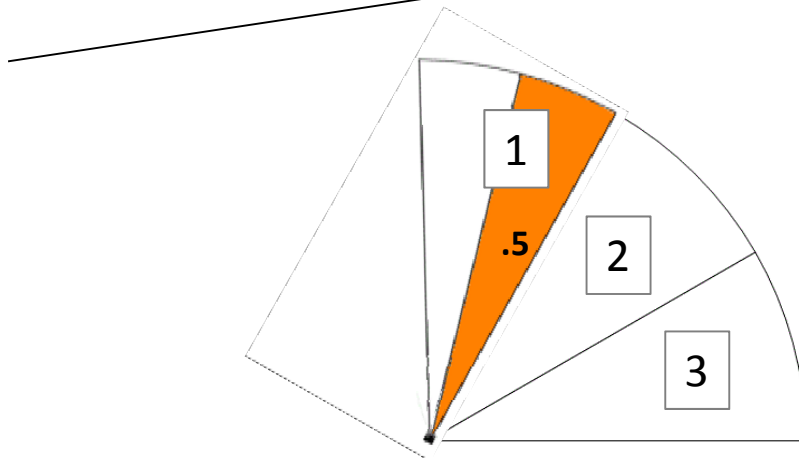
Summer appointments – 2 or 3 months

What if the summer appointment is for 2 months, or for 3 months?



Effort commitment of one-half of a summer month during a 2 month summer appt period

$$.5 \text{ mo} \div 2 \text{ mo} = 25\% \text{ effort}$$

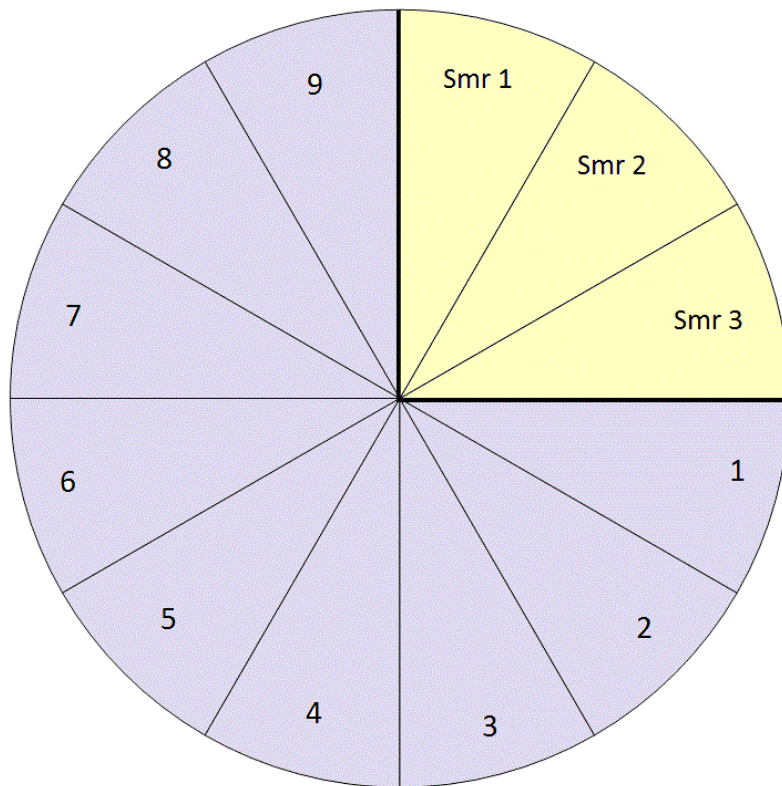


Effort commitment of one-half of a summer month during a 3 month summer appt period

$$.5 \text{ mo} \div 3 \text{ mo} = 16.66\% \text{ effort}$$

9 month appointment and Summer appointment

Calculating effort for separate appointment periods when a person has a 9 month appointment and summer appointment - The “Big Picture”

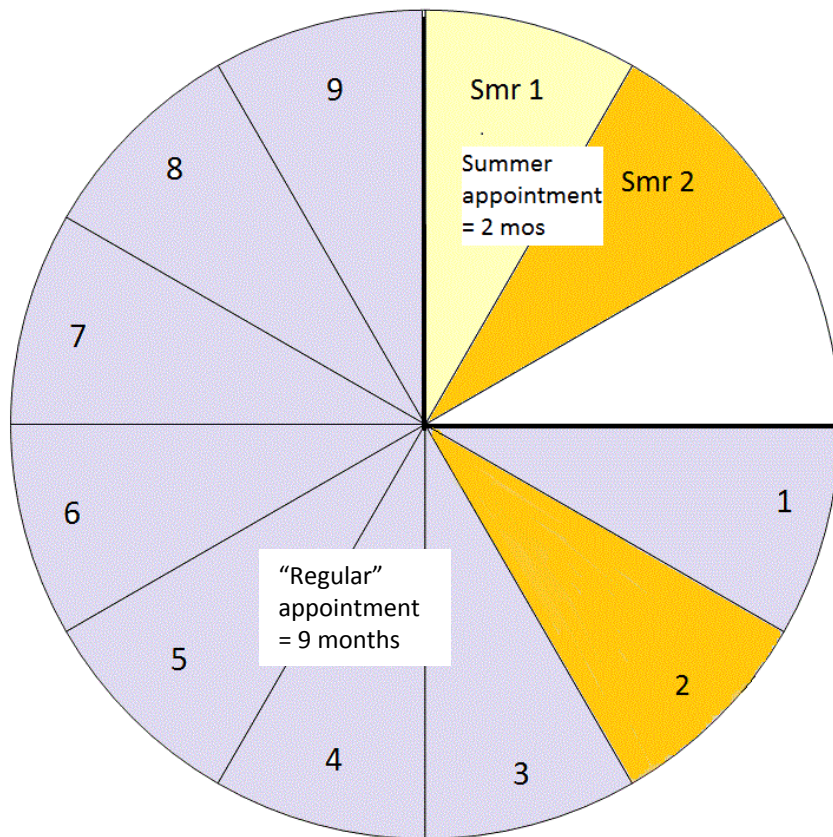


Effort percentage is again calculated by dividing the number of months committed by the number of months in the appointment period.

Need to know if the summer appointment is for 1, 2, or 3 summer months for an accurate calculation (or for a partial month).

Each appointment period (for 9 month service versus summer service) is considered separately when calculating the effort percentage.

9 month appointment and Summer appointment



Each appointment period (9 month versus summer) is considered separately when calculating the effort percentage.

In this example:

1 month of effort provided from
9-month appointment

Effort from 9 mo appt = $1 \div 9$ or 11.11%

1 month of effort provided from a
2-month summer appointment (*not
appointed for the full 3 months*)

Effort from summer appt = $1 \div 2$ or 50%

*Note: If the summer appointment was for the
full 3 months, then the effort calculation would
be $1 \div 3$ or 33.33%*

Systems and Tools

- Current tools used by GCO and University Audits are considered adequate for documenting and monitoring post-award effort
- *Department tools are still needed*
- There is currently no data feed that can be used to develop a tool to monitor *proposed* effort
- Job aids for calculation of IBS and tracking commitments can be shared
- Pre-award software development may offer an opportunity for tool development
- Systems and tools group seeks options

Effort Reporting

What is effort reporting and what does it mean?

“Effort Reporting is the process of certifying to granting agencies that the effort committed in an award has actually been expended.”
(OBFS)

How is committed effort tracked for reporting to sponsors (how can it be proven to the sponsor)?

- Committed effort may be charged directly to the project (sponsor salary support) and/or cost shared on behalf of the project (University salary support)
- From proposed CAM policy:
“Actual effort” means the portion of University Effort actually performed for a Sponsored Project by a faculty or staff member as documented by the direct charging of salary or by cost sharing.”

Effort Reporting and DMI

UIUC is required by state and federal regulations to monitor and report how employees spend their time

- DMI coordinates the collection of employee activities from departments to comply with these requirements
 - The Activity Reporting System (ARS) collects and stores activity information
 - Other systems (Section/Instructor List, Course Information System) collect and store course information
 - These systems are used in combination with data from Banner (HR, Finance, and Student) and other sources (Grants and Contracts, etc.)
- DMI is responsible for reporting effort expended by all academic employees, not just effort on sponsored projects

DMI does not collect or report proposed effort on sponsored projects

- Only committed contributed effort (time = money) can be tracked

Reporting Effort in ARS

<https://www-s.dmi.illinois.edu/ars/>

ARS matches appointment information from Banner with payroll and displays each pay line by its fund and fund source, account, NACUBO code, and FTE.

- ARS displays each pay line separately—an employee may have one or many
 - Activity is requested or imputed (calculated automatically by the system) for all academic pay lines
- Updaters authorized by unit heads enter activity if required

Reporting Effort in ARS (12 month appt)

This shows a pay line for a 12-month, 100% appointment

- Activity has been imputed onto Organized Research because of the NACUBO code 1100
 - For a 12-month appointment, the appointment FTE and the Annualized FTE will both be 100

View appointments for current year							View/Return to Dept Error report											
Salary summary, appts for all years							Activity Percents - click here for a grid of permissible activities											
SOF	Fund	Acct	Program (NACUBO)	Annualized FTE	YTD Pay	Obligated Pay	Instruction					Dept Res	Orgnzd Resrch	Admin Tech Library	Paid Leave	Extsn Public Svc	Alum Dev Cmty	Gen Spec Svc
							Class room	Ind Study	Online	Thesis	In-direct							
S	122015	211300	375141 (1100)	100.00	\$16,395	\$16,395	0	0	0	0	0	0	100	0	0	0	0	0

Reporting Effort in ARS (9 month appt)

The top line is a 9 month faculty appointment

- The FTE is annualized as 75% (9/12)
 - The appointment FTE is still 100 on the “view appointments” screen
 - The second line is a 0% administrative stipend

[Salary summary, appts for all years](#)

[View sections, update section SOF for this instructor](#)

SOF	Fund	Acct	Program (NACUBO)	Annualized FTE	YTD Pay	Obligated Pay	Activity Percents - click here for a grid of permissible activities											
							Instruction					Dept. Res	Orgnzd Resrch	Admin Tech Library	Paid Leave	Extsn Public Svc	Alum Dev Cmty	Gen Spec Svc
							Class room	Ind Study	Online	Thesis	In-direct							
S	100015	211100	604001 (1000)	75.00	\$77,943	\$77,943	40	5	0	10	5	25	0	10	0	0	5	0
S	100015	211300	604001 (1000)	0.00	\$2,750	\$2,750	0	0	0	0	0	0	0	100	0	0	0	0

What months are covered in an appt?

<u>Fund or UFAS Acct</u>	<u>Grant</u>	<u>Banner Acct/ UFAS Object Code</u>	<u>Banner Prgm Code</u>	<u>NA CU BO</u>	<u>S O F</u>	<u>Start Date</u>	<u>End Date</u>	<u>YTD Pay</u>	<u>OBL Pay</u>	<u>% Time</u>	<u>E-cls</u>	<u>P-class (Rank Class)</u>	<u>Position Number & Suffix</u>	<u>Tenure Code</u>	<u>Service</u>
100015 --		211100	802001	1000	S	6/16/2014	8/15/2014	\$3,863	\$0	25	AA	AAAAA	U89654 00	A	A
100015 --		211100	802003	1100	S	6/16/2014	8/15/2014	\$1,159	\$0	8	AA	AAAAA	U89654 00	A	A
100015 --		211100	802300	1100	S	6/16/2014	8/15/2014	\$10,430	\$0	68	AA	AAAAA	U89654 00	A	A
552815 --	C3766	211200	191200	1200	G	6/16/2014	7/30/2014	\$15,676	\$0	100	MM	SMMR	U72014 S0	A	S
100014 --		211100	802003	1100	S	5/16/2014	6/15/2014	\$579	\$0	8	AA	AAAAA	U89654 00	A	A
100014 --		211100	802300	1100	S	5/16/2014	6/15/2014	\$5,215	\$0	68	AA	AAAAA	U89654 00	A	A
553115 --	C4010	211200	191200	1200	G	5/16/2014	6/15/2014	\$10,301	\$0	100	MM	SMMR	U72014 S0	A	S
100014 --		211100	802001	1000	S	8/16/2013	6/15/2014	\$19,315	\$0	25	AA	AAAAA	U89654 00	A	A
100014 --		211100	802003	1100	S	8/16/2013	5/15/2014	\$52,150	\$0	75	AA	AAAAA	U89654 00	A	A

Cost sharing in ARS

ARS tracks contributed effort cost share as “money” from salary paid during the current AY (University’s academic year which covers 12 months from Aug 16 to Aug 15).

A specific percentage of time from a pay line is recognized as cost share effort.

Cost-sharing commitments in this department:					
Pct	Grant	NACUBO	Dates		AnnFTE
2%	A0285	1100	8/16/2013	5/15/2014	1.496%
Minimum Overall CS annualized FTE: 1.496%					
NACUBO 1100 Minimum Total CS annualized FTE: 1.496%					

SOF	Fund	Acct	Program (NACUBO)	Annualized FTE	YTD Pay	Obligated Pay	Activity Percents - click here for a grid of permissible activities											
							Instruction					Dept. Res	Orgnzd Resrch	Admin Tech Library	Paid Leave	Extsn Public Svc	Alum Dev Cmty	Gen Spec Svc
							Class room	Ind Study	Online	Thesis	In-direct							
S	100014	211100	802003 (1100)	15.62	\$21,262	\$0	10	0	0	10	0	0	80	0	0	0	0	0
Cost Sharing Percents -----> (Suggestion: at least 10% if this line is the only one with this NACUBO with cost sharing)													10					

QUESTIONS?

