

**FACULTY AND
ADMINISTRATIVE
COMPENSATION AND
EFFORT POLICY**

Policy 4.5

Responsible
Executive: Doug
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provided at any time within the fiscal year (summer months, academic year, or both). Such committed faculty effort shall not be excluded from the organized research base by declaring it to be voluntary uncommitted cost sharing. If a research program research sponsored agreement shows no faculty (or senior researchers) effort, paid or unpaid by the Federal Government, an estimated amount must typically be computed by the university and included in the organized research base. However, some types of research programs, such as programs for equipment and instrumentation, doctoral dissertations, and student augmentation, do not require committed faculty effort, paid or unpaid by the Federal Government, and consequently would not be subject to such an adjustment.

Cost Shared Effort

Cost sharing refers to the portion of project or program costs borne by the organization or other sponsors. When an individual identifies effort in a proposal, but does not budget sponsor support for that effort, that is a binding obligation and represents cost shared effort. At award, that effort must be recorded, tracked, and certified by the institution's effort reporting process. When a Project Director submits a proposal with **no effort** allocated or requested, per OMB Memo 01-06, the institution is required to assess the minimum effort necessary to carry out the activities and track that effort as part of organization's cost shared effort commitments. This cost share expectation applies to both federal and nonfederal projects and extends to NSF or other funded projects where an individual may elect to take the project proposed compensation during the summer.

Effort on Sponsored Projects - Allowable

Efforts that directly benefit a sponsored project and are consistent with the approved project's scope and objectives are allowable. Efforts devoted to a project during an allowable pre-award cost period are allowable; effort commitments devoted to proposal writing are not allowed.

Effort on Sponsored Projects - Unallowable

The only effort that can be charged to sponsored project is effort directly devoted to performance of the approved project. Effort commitments in advanced of any applicable pre-award cost period are unallowable, as are effort commitments devoted to proposal writing.

Effort Reporting

Effort Reporting is RU's method of certifying, on an after-the-fact basis, that an individual was compensated based on his or her activity performed during a specified period.

Graduate Student Assistanceships ... Salary

Graduate Research Assistants (GRA's) are graduate students whose time is divided between formal study and research. GRA's receive salary (not stipend support).

records of the specific hours they work; therefore effort reporting is the process whereby they certify the effort charged to an award is consistent to the effort devoted to the project.

Workload

Workload is the effort obligations for which an individual is compensated for under regular appointment with RU. For faculty the workload standard incorporates research, teaching, and service expectations.

Reason for Policy

This policy is required to ensure compliance with federal guidelines on compensation and effort policy. It is the policy of Roosevelt University (RU), the

Responsibility: Project Directors, Key Personnel, and Departments are responsible for estimating the effort required to carry out the activities described in a proposal. Human Resources is responsible for providing information on To Be Named compensation estimates. The Office of Research and Sponsored Programs is responsible for ensuring costs proposed in proposals submitted on behalf of the University are consistent with the institution's costing compensation practices.

II. Charging Effort and Salary

To charge an individual's salary to a sponsored program, the individual must be a RU employee during the period of research activity.

i. Personnel Costs on Sponsored Projects (Professional-Exempt).

Personnel costs for exempt employees are charged based on the estimated percentage of time that RU employees will work on a project. Federal sponsors consider any effort described in the proposal narrative, budget or budget justification, but not charged to the sponsor, to be a binding commitment (voluntary cost sharing) that must be tracked, certified and reported.

Effort commitments on sponsored projects are allowable as a direct cost to sponsored projects provided they are paid as part of an individual's institutional base salary (IBS) or provided in accordance with sponsor allowed and approved provisions (example Intra-Institutional Consulting).

Under no circumstances can charges to sponsored agreements, irrespective of the basis of computation, exceed the proportionate share of the base salary for that period.

To be an allowable charge on a federally funded sponsored project, effort commitment must be certified on an after-the-fact basis by an individual with first-hand knowledge of the work performed.

ii. Personnel Costs on Sponsored Projects (Non-Exempt). Personnel costs for non-exempt employees should be charged based on the actual work performed. The individual's recording and subsequent signed electronic or paper time sheet constitutes certification that the work was performed and to which project the work should be charged. In unusual circumstances where overtime or extra-pay shift and multi-shift is approved by the awarding agency or when necessary to cope with emergencies overtime is an allowable cost.

a. Overtime for Nonexempt Staff. Nonexempt staff commitments typically will not require overtime. **In unusual circumstances overtime or extra-pay shift and multi-shift may be allowable with the prior approval of the awarding agency or when necessary to cope with emergencies** such as those resulting from accidents, natural disasters, breakdowns of equipment, or occasional operational bottlenecks of a sporadic nature or events when the performance of tests, laboratory procedures, or other similar operations which are continuous in nature

and cannot reasonably be interrupted or otherwise completed, or when lower overall cost to the sponsor will result.

- iv. **Fringe Benefits.** In the absence of federally negotiated fringe benefit rate, allowable fringe benefits should be charged based on actual costs incurred.
- v. **Compensated Absences, including Vacation, Sabbatical, Sick Leave, Terminal Leave**
Compensated absences are allowable as direct costs to sponsored projects, provided they are treated consistently and paid in compliance with RU policy, award terms and conditions and in proportion to the effort certified on the project.
- vi. **Cost Shared Effort.** Cost shared effort can be tracked via memorandum entry in the effort certification process or it can be tracked through the use of a companion cost share account. Either way, cost shared effort must be documented at the time of project initiation and documented as an ongoing commitment on the project.

Responsibility: Project Directors, Key Personnel, and Departments are responsible initiating payroll activation and deactivation processes for individuals compensated on sponsored projects and for processing payroll adjustments if commitments change. Project Directors are responsible for initiating documentation processes for any cost shared effort commitment tracking with Research and Sponsored Programs. If a downward adjustment of effort is expected and the sponsor requires prior approval before adjustment, the Project Director is responsible for contacting Research and Sponsored Programs prior to adjustment. If prior approval is required, the Project Director is responsible for providing justification for the adjustment; Research and Sponsored Programs is responsible for contacting the sponsor for prior approval. The University Payroll Office is responsible for ensuring payroll distributions are appropriately processed. The Project Director is responsible for reviewing project financials on a regular basis to ensure the charges are appropriate. If charges are not, the Project Director is responsible for contacting Payroll regarding the distribution and coordinating retroactive cost transfers which may be required.

III. Effort Reporting

Effort reporting is the process used to confirm that salaries and wages and cost share commitments associated with sponsored agreements are equal to or less than the actual work performed. This process includes three steps:

1. Committing effort to a project
2. Accounting for the effort by charging and cost sharing specific salary expense, and
3. Certifying the effort.

