

HEALTH SCIENCE CENTER HANDBOOK OF OPERATING PROCEDURES

Chapter 7	Research and Sponsored Programs	Effective:	September 2007
Section 7.1	Office of Sponsored Programs	Revised:	June 2011
Policy 7.1.4	Managing Effort Commitments On and Payroll Charges to Sponsored Programs	Responsibility:	Vice President for Research

MANAGING EFFORT COMMITMENTS ON AND PAYROLL CHARGES TO SPONSORED PROGRAMS

Overview

One of the responsibilities assumed by the Health Science Center when receiving support for a sponsored program is that an individual (usually a faculty member) who is primarily responsible for proposing, conducting, and/or reporting of such a program commits to and expends a certain level of effort on that program. The University of Texas System has mandated that such effort commitments be actively managed by the Health Science Center and that minimum and maximum levels of such effort must be established and followed.

Federal costing policies and the policies of individual granting agencies require that a Principal Investigator/Project Director of a sponsored program devote some effort to the project. In addition, committed effort to all activities, including sponsored programs, cannot exceed 100% of the effort for which an individual is being paid by the Health Science Center. For the purposes of this policy, effort is measured in terms of percentage and not in terms of hours worked.

The management of these effort commitments continues to be scrutinized by the federal audit community.

Policy

It is the policy of the Health Science Center that effort committed by faculty to sponsored program activities be actively managed so that these effort commitments not only reasonably reflect the time devoted to each sponsored activity, but also allow the faculty member to fulfill his/her other institutional obligations. Charges to sponsored programs must be based on the institutional base salary and, where appropriate cannot exceed salary caps or other limitations imposed by external sponsors.

Definitions

COMMITTED EFFORT: The amount of time that a faculty member commits to a specific project. Committed effort may not always equal paid effort.

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EFFORT: Work or the proportion of time spent on any activity and expressed as a percentage of total time. Total effort for an employee must equal 100%. The appointment serves as the basis for an individual's total effort. In other words, for a 50% appointment, 100% effort is the 50% appointment.

INSTITUTIONAL BASE SALARY: Institutional Base Salary (IBS) is the total guaranteed annual compensation an individual receives from the Health Science Center and represents the individual's time spent on research, teaching, patient care, and/or other activities. IBS does not include fringe benefit payments; reimbursed expenses; temporary, supplemental compensation for incidental work; income earned outside of duties to the institution; and, any portion of compensation deemed to be at-risk. IBS does not include additional payments made for the temporary assumption of administrative duties, but does include such additional payments when included as part of an individual's permanent, guaranteed annual compensation.

PRIMARY INDIVIDUAL: A Primary Individual is a person listed as a principal investigator (PI), project director, co-investigator, co-project director, or those with comparable responsibilities on a sponsored project. A Primary Individual typically, but not always, carries an academic (i.e., faculty) appointment.

SPONSORED PROGRAM: A sponsored program involves a specific commitment of time and can be either: 1) a formal award, such as a contract, grant, or cooperative agreement, is made to the Health Science Center for a research, training, clinical study, public service, or other activity; or 2) an internally funded project which is the result of a formal application and approval process. Industry sponsored clinical studies are included in the definition.

Minimum Levels of Effort Commitments

Each Primary Individual shall commit at least 1% effort to each sponsored project, including clinical research studies, in which he or she is responsible for proposing, conducting, or reporting the results of the program. Exceptions to the minimum level of effort requirement are awards for equipment and instrumentation grants; doctoral dissertation grants, and supplements to existing awards. In the case of an

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institutional training grant, at the time of award effort commitments are required only of the Project Director and those faculty who are actually supervising individual trainees.

Maximum Levels of Effort Commitments

The maximum level of total committed effort to sponsored programs by a tenure or tenure-track faculty member cannot exceed 95%; the maximum effort commitment level for non-tenure, not on tenure track research faculty is 98%. For those individuals who also have administrative appointments, such as departmental division chiefs, the faculty member's effort on sponsored programs cannot exceed 90%; and, for Deans, department Chairs, center Directors, and the like, the maximum level of effort committed to sponsored programs should not exceed 80%.

Individuals other than faculty are allowed to recover up to 100% of their salaries on sponsored programs only if such recovery is commensurate with their duties on the sponsored program(s) and that no duties outside of the sponsored program(s) are performed including preparation of additional funding proposals, Health Science Center committee appointments, or other services to the Health Science Center. Limited exceptions may be made for research faculty provided they meet certain tests and are approved by the Vice President for Research.

Effort Commitments at Time of Proposal

Prior to proposal submission to an external funding agency or, in the case of awards made either in the absence of a final proposal or through a Health Science Center funded sponsored program, the department Chair or appropriate administrative unit head must review and approve the effort commitments of each faculty member. In the case of proposals where multiple faculty members from multiple departments are involved, the individual effort commitment must be reviewed and approved by the individual's department Chair or appropriate administrative unit head. Such review and approval is deemed to have been made and granted by the department Chair or administrative unit head on the Health Science Center [Certificate of Proposal \(COP\)](#).

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Effort Commitments at Time of Award

At the time of award, it is the responsibility of the department Chair or appropriate administrative supervisor to ensure that total effort commitments meet the requirements of this policy.

Administration of Policy

Pursuant to requirements of The University of Texas System, the Vice President for Research is responsible for institutional compliance with this policy. Administration of the policy is the responsibility of the Office of Sponsored Programs. Each Health Science Center department or administrative unit has the primary responsibility to ensure compliance with this policy.

Sanctions For Non-Compliance

Failure to comply with the requirements of this policy are subject to disciplinary action as described in [Section 2.1.2](#), of the *Handbook of Operating Procedures* (HOP).

References

Federal Office of Management and Budget

OMB Circular A-21, Cost Principles for Educational Institutions, Section J.10
(http://www.whitehouse.gov/omb/circulars/a021/a21_2004.html)

OMB A-21 Clarification Memo, January 5, 2001
(<http://www.whitehouse.gov/omb/memoranda/m01-06.html>)

OMB Circular A-110, Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations
(<http://www.whitehouse.gov/omb/circulars/a110/a110.html>)

NIH Grants Policy Statement
(http://grants.nih.gov/grants/policy/nihgps_2010/index.htm)

NIH Guidelines for Inclusion of Clinical Practice Compensation in Institutional Base Salary Charged to NIH Grants and Contracts
(<http://grants.nih.gov/grants/guide/notice-files/NOT-OD-05-061.html>)

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The University of Texas System Policy, UTS 163, "Guidance on Effort Reporting Policies"

(<http://www.utsystem.edu/policy/policies/uts163.html>)

The Health Science Center's HOP, [Section 7.1.3](#), "Effort Certification on Sponsored Programs".

The Health Science Center's HOP, [Section 7.1.5](#), "Cost Transfers to Restricted Fund Groups 41002 - 44999".
