

# CASE STUDY

## Effort Tracking and Reporting ■ Institutional Base Salary Workshop 2013 Business Leadership Conference

University of Illinois at Urbana-Champaign

### INTRODUCTION

The Urbana campus administration (Office of the VCR and Office of the Provost) and the Urbana campus Assistant Vice President for Business and Finance have been charged with:

- 1) Creating and implementing a comprehensive policy and defined procedures for effort reporting for the Urbana-Champaign campus
- 2) Creating and implementing a policy that defines what is to be included in Institutional Base Salary (IBS) for the purposes of supporting salary rates charged to sponsored projects.

This case study is written for illustrative purposes to highlight the following topics that must be discussed and understood before the above two objectives can be accomplished:

- Review and understanding of the campus Activity Reporting System (ARS) – what information is entered annually for faculty members in the ARS and how is this data used?
- Review of how units across the campus currently enter appointments into the Banner system to pay out stipends for faculty who have administrative positions in addition to faculty appointments.
- Comparison of how PIs and unit business administrators across the campus currently calculate the “Base Institutional Salary” when creating budgets for proposals for sponsored project awards.
- Review of treatment of summer month appointments, rate calculations and effort.
- The effects of the NIH salary cap upon salary payments to faculty (noting that this cap may be instituted by other federal agencies, which would affect many more faculty)
- The difficulty and complexity associated with tracking effort that has been committed by PIs for sponsored projects, especially for PIs working as co-PIs on awards granted to a home college other than their own.

## CASE STUDY

### **YEAR 1 (August 16, 2009 - August 15, 2010)**

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Georgia Benson, Associate Professor of Chemistry at the University of Illinois at Urbana-Champaign, holds a faculty appointment in her “home” college of Liberal Arts and Sciences. Her faculty appointment in the College of LAS is a 100% full time equivalency (FTE) appointment for the academic year service period of August 16, 2009, through May 15, 2010, which is paid from State funds. Her appointment is reflected in the University’s Banner system as a 9/12 appointment. Her salary for the appointment is \$121,500.

For this appointment, she 1) teaches two on-campus courses (including supervising two Teaching Assistants), one online course, and one thesis course; 2) performs departmentally sponsored research, (not an outside award); and 3) serves on the College’s Promotion and Tenure Committee.

She also receives a summer appointment for a full time teaching load for two months in the summer. Her appointment is reflected in the Banner System 100% FTE summer session appointment for the period May16-July15, which is paid from State funds.

### **YEAR 2 (August 16, 2010 – August 15, 2011)**

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For year 2, Professor Benson’s appointments include:

- An academic service year faculty position with the same academic year service requirements of the previous year at the same \$121,500 salary.
- A new administrative appointment requiring service for the academic service year for the position of Director of Undergraduate Science Initiatives for the campus. This position provides a \$12,000 stipend, paid from State funds. The college decides the position should be entered into the Banner system as a 0% FTE, 9/12 position.
- A summer appointment reflecting Professor Benson’s salary support from an NIH grant. She has committed 100% effort to this award for two summer months and plans to complete all of the work for the grant in those two months. The college decides the position should be entered into the Banner system as a 100% FTE appointment for service for the period of May 16 – July 15, 2011. (*She has no summer teaching appointment this year.*)

### **YEAR 3 (August 16, 2011 – August 15, 2012)**

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For Year 3, Professor Benson's appointments include the following:

- An academic service year faculty position with the same academic year service requirements of the previous year; however, she has been promoted to full Professor at a salary of \$150,000.
- An appointment for the academic service year for the position of Director of Undergraduate Science Initiatives for the campus, similar to the previous year. This position provides a \$12,000 stipend, paid from State funds and the college decides, again, the position should be entered into the Banner system as a 0% FTE, 9/12 position.
- An appointment to a new prestigious position of Director of the new Pfizer Institute on the campus. Dr. Benson receives a \$24,000 stipend for this position; the stipend is funded by a gift from Pfizer. This position will require work over all twelve months of the year. The college decides the position should be entered into the Banner system as a 9/12, 0% FTE appointment.
- A summer appointment reflecting Professor Benson's salary support from a new NIH grant. She has again committed 100% effort for two summer months and plans to complete all of the work for the grant in those two months. The college decides the position should be entered into the Banner system as a 100% FTE appointment for service for the period of May 16 – July 15, 2011. *(She has no summer teaching appointment this year.)*

### **YEAR 4 (August 16, 2012 – August 15, 2013)**

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For Year 4, Professor Benson's appointments include the following:

- An academic service year faculty position with the same academic year service requirements of the previous year; at a salary of \$150,000.
- An appointment for continued service for the academic year as Director of Undergraduate Science Initiatives for the campus. This position continues to provide a \$12,000 stipend, paid from State funds, and the college again decides the position should be entered into the Banner system as a 0%, 9/12 position.
- An appointment for continued service as Director of the Pfizer Institute. This position continues to pay a \$24,000 stipend and continues to be funded by a gift from Pfizer. The college again decides the position should be entered into the Banner System as a 9/12, 0% FTE appointment.

- An appointment reflecting a new sponsored project award she has received from NIH. She plans to spend about 25% of her time on this project throughout the entire year (August 16, 2012, through August 15, 2013). The project budget reflects 25% time commitment over 12 months for Professor Benson. The college decides the position should be entered into the Banner System to be paid out for the three summer months (May 16 through August 15). (*She has no summer teaching appointment this year.*)

### Case Questions/Discussion:

1. How would you calculate Professor Benson's Summer Salary for each year?
2. What entries should be made into the Activity Reporting System for Professor Benson each year?
3. What is the impact of the NIH salary cap (\$179,700 or \$14,975 per month) on Professor Benson's appointments and payments each year? What are the consequences for the college and the faculty member if a summer salary payment calculation exceeds the NIH cap?
4. Has Professor Benson overcommitted effort during any of these years? Has Professor Benson met her time commitment pledged to her sponsored projects over the years?
5. Has the college/unit correctly entered the appointments into the Banner System?
6. Is it acceptable to NIH if Professor Benson conducts NIH research throughout the academic year with the expectation of getting paid in the summer?

### FINAL DISCUSSION POINTS

- **What factors need to be considered in developing a campus-wide policy for effort commitment and reporting to ensure faculty are not over-committed and the campus does not violate federal guidelines?**
- **What factors need to be considered in developing a campus-wide policy for calculation of Institutional Base Salary?**