Effort Reporting and Institutional Base Salary

March 12
9:15am - 10:30am
and
1:45pm - 3:00 pm

Destination Success
Workshop Presenter(s)

• Barb Geissler  
  Executive Assistant Dean, College of Education  
  geissle@illinois.edu

• Maxine Sandretto  
  Assistant Vice President for Business and Finance,  
  Office of Business and Financial Services  
  msandret@uillinois.edu
Please ...

• Turn off cell phones.
• Avoid side conversations when others are speaking.
• Sign the attendance roster.
• Complete the evaluation at the end of the workshop.
Workshop Objectives

Learning Objectives:

• Review current compensation and faculty personnel budgeting practices across the campus and the associated risks.

• Receive a comprehensive understanding of how the University’s Activity Reporting System impacts other university issues, including the calculation of the F&A rate.

• Recognize the impact of these functions and practices on grant budgeting and administration, faculty compensation and audit risk.
Topics

• Introduction
• What is Institutional Base Salary (IBS) and why does it matter?
• What is committed effort and how does that differ from voluntary uncommitted effort for sponsored project awards? How is it tracked?
• How is ARS information important for the calculation of F&A (Facilities and Administrative) or “overhead" rate and other rates for the campus? Why should we care about this?
Topics

• Case Study Discussion

• Summary Discussion

– 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?
Introduction

• Special Committee for Effort Reporting Policies and Procedures (SCERP) charged with:
  – Creating and implementing a comprehensive policy and defined procedures for effort reporting for the Urbana-Champaign campus
  – 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.
Introduction

• SCERP Activities to Date:
  – Began meetings in November to discuss assignment.
  – Met with select faculty members on January 18 to illustrate the issues and receive their input.
  – Consulting with business managers at Business Leadership Conference Session
  – Reviewing policies and procedures of peer institutions.
Introduction

• SCERP Timeline:
  – Seeking to draft recommendations for review by Provost, VCR, and Chancellor’s Office by April.
  – Participating in communication and feedback Period – April through June.
  – Policy and Procedures finalized by August 2013
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Circular A-21 Cost Principles

- Reasonable
- Allocable
- Allowable
- Consistently applied
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How does this relate to *Effort*?

- services rendered to project during the period of performance

- base salary rate which conforms to the established policies of the institution

- consistently applied
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• Related Appointment Types
  – Academic Year salary
  – Stipends/Increments
  – Endowed Professorships/Chairs
  – Summer service

• Federal Agency Requirements
  – PI Effort
  – Personnel Commitments
  – Salary Cap
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• What is effort and how is it tracked?
  1) Direct salary
  2) Voluntary or Mandatory committed cost sharing
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COST SHARING:
If no cost-sharing is indicated leave this
Required by Sponsor?:
☐ Yes
☐ No
☐ Informal Request of Sponsor
☐ Voluntarily Committed

IN THE FORM OF CONTRIBUTED EFFORT:
Cost sharing is normally shown as a percentage necessary.

% of Time
5%

Last Name
PI
Other
Other

*Cost sharing of any effort must be reported in 1
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Cost sharing effort - Types and relationships

- **Committed**
  - (always up-front)
  - **Mandatory**
    - (always committed)
  - **Voluntary Committed**
    - (always up-front)

- **Voluntary**
  - (can be either committed or uncommitted)
  - **Uncommitted**
    - (always voluntary, but after-the-fact)
Effort Reporting and Institutional Base Salary
### Division of Management Information
University of Illinois at Urbana-Champaign

#### Activity Reporting System - Data Entry Page -- FY10 Data

**Smith John**
UIN: 65-1234567
Employee Group: A
Department: 1-933

Last updated 7/15/2009
By: netid

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**Payment & Labor Distribution**
- Information from payroll/Banner HR
- Activity Percentages entered by the unit.

### Helpful Links
- ARS Authorization - [https://www-s.dmi.illinois.edu/ars/authlist.asp](https://www-s.dmi.illinois.edu/ars/authlist.asp)
- Activity Definitions - [https://www-s.dmi.illinois.edu/ars/aepdef.asp](https://www-s.dmi.illinois.edu/ars/aepdef.asp)
- Activity Reporting - [https://www-s.dmi.illinois.edu/ars/appropactivity.asp](https://www-s.dmi.illinois.edu/ars/appropactivity.asp)
- Frequently Asked Questions - [https://www-s.dmi.illinois.edu/ars/arsdoc.asp](https://www-s.dmi.illinois.edu/ars/arsdoc.asp)

### Questions
Mary Sappenfield or Elizabeth Stern of DMI (333-3551)
ARS/FTE Impact on F&A Rate (FY12 Recovered F&A = $100m)

**NUMERATOR**
- Facility Pools (MTDC Basis)
  - Building Depreciation ($37m)
  - Interest ($14m)
  - Operations & Maintenance ($202m)
  - Equipment Depreciation ($28m)
  - Library ($47m)
  - Admin 24pt. cap

**DENOMINATOR**
(MTDC Basis)
- Organized Research $240m
- Instr & Dept Research
- Other Sponsored Activity
- Other Inst. Activity

**Allocation Methods**
Required by A-21

**Space Usage**
- Archibus provides square footage per room, building, department assigned (11m net assignable sq ft)
- ARS provides the FTE data needed to assign space square footage by dept by building
- ARS provides data used for Cost Shared Effort adjustment in the F&A study

**Table**

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CASE DISCUSSION

QUESTIONS/ANSWERS

SUMMARY COMMENTS