Faculty Effort Reporting: Academic Year Term, Compensation, Summer Salary, and Overall Effort Distribution Guidelines

Introduction

Yeshiva University (the “University”) regards research as part of the normal workload of its full-time faculty. In general, compensation for time spent on research within the term of appointment is included within the faculty member’s regular University salary, commonly referred to as an Institutional Base Salary\(^2\), or IBS. The IBS encompasses compensation from research, teaching, administration, and other activities. This “regular” salary component can operate on a nine- or twelve-month term. The nine-month term may be supplemented by a summer salary component, which is discussed under the “Summer Salary” section of this document. While the IBS compensates for many of the faculty member’s responsibilities, there are certain remunerations that are explicitly excluded from it. For example, bonuses and one-time payment or incentive payments are not included in the IBS. Payments from outside organizations for work that does not factor into the 100% University Effort are also separate from the IBS.\(^3\)

\(^1\) Full-time appointments are for two semesters’ (Fall and Spring) teaching each year unless the letter of appointment specifically provides otherwise. See Yeshiva University Faculty Handbook available at https://www.yu.edu/sites/default/files/legacy/uploadedfiles/Academics/Office_of_The_Provost/Office_of_The_Provost-Placeholder/Faculty/Faculty%20Handbook%20-%202013.pdf

\(^2\) Institutional Base Salary (IBS) is the annual compensation a faculty member receives for his or her work for the University. It is set in the faculty member’s annual appointment letter, and is used as the basis for the salary included on sponsored project applications and subsequently used to charge sponsored projects. A faculty member may have more than one appointment letter, each reflecting a different position. For example, one letter may relate to the duties performed as a department chair, while the other outlines the responsibilities and salary components for the faculty member’s regular daily work. The total IBS is comprised of the sum of all the amounts set forth in the faculty member’s various appointment letters.

\(^3\) Commitments Outside the University. During the academic year, full-time faculty members may not devote more than 20% of their time to outside consultations or assignments without the express written approval of the Provost on behalf of the President. See Yeshiva University Faculty Handbook.
Academic Year: Effort Allocation and Certification

Subject to the conditions set forth below, when a sponsored project is carried out during the academic year, a faculty member may use the funds from the sponsored project to cover a portion of his or her salary and associated fringe benefits for such academic year. In exchange, the University may release the faculty member from some or all (as appropriate) of his or her teaching obligations known as course release. Terms and conditions related to a course release can be found in Yeshiva University YC/SCW Course Buyout (Instructional Release) Policy and Procedures.

A course release is subject to the following conditions:

- Prior approval of the University’s Provost and the Dean of the faculty member’s department at the University;
- The availability of sponsored funds; and
- The allowability of such use in accordance with the sponsor’s terms and conditions applicable to the award.

The effort committed in a grant proposal but not financially supported by the sponsor represents committed or mandatory cost sharing. Cost sharing is discussed in greater detail under the “Effort Reporting Cost Sharing” section of this document. As a rule, proposals should include only the minimum amount of required cost sharing necessary to meet the sponsor’s requirements. Committing University resources in excess of any sponsor-matching requirements is prohibited without prior approval of the University’s Provost and/or the faculty member’s department Dean at the University.

Grant funds may not be used to augment a faculty member’s IBS, nor may they be used to reimburse faculty for consulting activity covered by their faculty appointment.4 As a recipient of federal research funding, the University is subject to financial accounting and reporting obligations designed to ensure that the charges to its sponsored projects are allowable, reasonable, and properly allocable to those projects.

Among these obligations is the requirement to maintain a salary allocation system that complies with the provisions of the Uniform Guidance.5

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1. Faculty\textsuperscript{6} engaged in sponsored programs with any portion of their salary charged or committed to a sponsored award are subject to effort reporting.\textsuperscript{7} They must be aware of their level of committed effort to the sponsored awards and the ability to meet those commitments along with any other University obligations they carry.

2. "Total University Effort" is the total professional activity for which a faculty member is compensated by the University.
   a. Salary Components considered part of IBS include:
      i. Regular pay
      ii. Administrative supplements, including those associated with Department Chair etc.
   b. Salary components excluded from IBS include:
      i. Overload payments
      ii. Special merit pay or bonus awards
      iii. Distinguished faculty supplements
      iv. One-time incentive pay
      v. Income from outside professional work (e.g., consulting and other approved outside activities.) (See Footnote 3.)

3. Salary charges to a sponsored award must not exceed the proportionate share of the IBS for the period during which the individual worked on the award.

4. Principal Investigators must ensure that only effort expended on tasks that benefit the sponsored project is allocated or charged to such project.

5. Principal Investigators must be aware of the level of effort committed to a sponsor in relation to all other professional activities included in the faculty’s Total (100\%) University Effort.

6. Principal Investigators must ensure that sponsor-imposed salary caps are applied and that appropriate salaries are recorded properly in grant budgets.

7. Principal Investigators must notify the sponsor in writing if he or she plans to reduce his or her level of effort by 25\% or more from the awarded level. This notification must be approved by his or her department Dean at the University and routed through the University’s Office of Sponsored Programs for approval by the University’s Provost as the designated Authorized Organizational Representative.

8. Awarded effort is subject to after-the-fact certification by the applicable faculty member and approval by his or her department Dean at the University three times a year: Fall

\textsuperscript{6} Same provisions apply to other University full-time professional employees involved in sponsored activities.

\textsuperscript{7} Effort reporting is also required for any faculty member who has agreed to committed or mandatory cost sharing.
semester, Spring semester, and Summer months.

9. Effort certifications must be submitted via Banner Self Service to the University’s Finance Department. If labor redistributions are warranted based on the level of effort, those should be submitted through Banner Self Service as well.

**Academic Year Effort Reporting Process**

The purpose of effort documentation is to provide a reasonable basis for distributing salary charges among direct sponsored and non-sponsored activities, such as instruction, administration, professional development, and clinical activity. Effort reporting is subject to the Yeshiva University Effort Reporting Policy (see below). This Policy ensures that effort is appropriately documented, that salaries and wages charged to sponsored projects reflect the effort expended on those projects, that effort is certified by authorized University personnel in a timely manner, and that effort certifications comply with sponsor requirements and federal regulations.

Once an award is issued to the University, the Principal Investigator or the University’s Office of Sponsored Programs (depending on the type of the award) should provide the University’s Finance Department with a copy of the award letter and the approved budget in order to set up the project (account) in Banner. Simultaneously, the effort level committed to the project by University faculty and other personnel should be provided by the Principal Investigator to the University’s Human Resources Department to be documented in the University’s HR system, so that salary compensation is allocated among funding sources in accordance with the committed effort (CE). The University uses a Self Service Banner Effort Certification module as a repository of effort distribution for the faculty engaged in sponsored and other externally funded programs. Three times a year (Fall semester, Spring semester, and Summer months), the affected faculty members are subject to after-the-fact labor distribution certification. The University’s on-line Effort Certification guide, *Banner Effort Certification Certifier Checklist*, outlines the process in greater detail.

**Summer Salary: Extra Compensation**

Faculty may be eligible to receive extra compensation for research activity when a faculty member holds a nine-month appointment from the University and receives salary support from an externally funded grant or contract for the time not covered by the academic appointment (usually during the summer). The faculty member may receive up to one-ninth of his or her IBS times the number of months spent in full-time service on the project(s). However, in no event may a faculty member with a nine-month appointment receive more than three months of summer compensation. Charges for work performed by a faculty member during the summer months will be determined for each faculty member based upon his or her IBS rate.

If permitted by the sponsor and provided that the faculty member signs a statement (which is approved and countersigned by his or her department Dean at the University) that he or she will not take any summer vacation, then up to three months of summer compensation may be paid. In no case must payments exceed one-third (three of nine academic months) of the IBS.
compliance with the National Science Foundation’s 2/9th rule on compensation, generally no more than two months per year may be supported by all NSF-funded sponsored projects. If the sponsor has a salary cap (e.g., DHHS limits compensation charged to awards to the Federal Executive Level II salary cap), charges to the project will be reduced to the capped amount. Amounts over the cap are treated as cost sharing and only may be charged to the University or a University department’s operating budget if approved by its respective authorized official (e.g., the University’s Provost or the faculty member’s department Dean at the University).

**Summer Salary Key Points**

- Subject to the conditions set forth above, faculty may charge salary to sponsored project(s) for up to three full summer months. Faculty members who have 9-month contracts with the University are not entitled to any vacation other than University holidays during the academic year. In the summer when faculty have no duties assigned by the University, faculty may commit their effort and, as such, charge their salary to sponsored project(s) for up to three full months.

- All effort and corresponding salary charged to any sponsored project(s) must follow sponsor and University policies. Further, the effort committed during the period should be devoted exclusively to the activities supported by that project(s), with the salary charges supported by effort certification (timesheets). No academic year effort may be attributed to the summer months.

- All summer effort has to be properly documented and is subject to effort certification. Faculty members who anticipate expanding their effort for additional compensation from sponsored projects during the summer must seek approvals from their respective department Deans at the University.

- It is understood that, as part of normal academic work, faculty may participate in other academic, administrative or research activities during the summer. These activities include but are not limited to: advising students (outside the scope of the sponsored research charged), doing unsponsored research, participating in administrative committees, preparing grant proposals, teaching, curriculum development, peer reviews, and refereeing and/or writing scholarly publications. Effort associated with such ‘non-sponsored’ activities during the summer months should never be charged to any sponsored research project.

- Receipt of three full summer months’ salary compensation from a sponsored project is subject to a written “vacation waiver” certification signed by both the faculty member and his or her department Dean at the University. Such certification should explicitly indicate that the faculty member does not take any time off during the summer.

**Summer Salary Request and Effort Reporting**

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8 For FY 2017, the Executive Level II salary has been raised from $185,100 to $187,000. See [https://grants.nih.gov/grants/guide/notice-files/NOT-QD-17-049.html](https://grants.nih.gov/grants/guide/notice-files/NOT-QD-17-049.html). Historic NIH Salary Cap Rates (FY1990-2016) are available at [https://grants.nih.gov/grants/policy/salcap_summary.htm](https://grants.nih.gov/grants/policy/salcap_summary.htm)
University department Deans of the eligible faculty members engaged in externally funded research activities should initiate requests for extra summer compensation through the University’s Electronic Personnel Action Forms (EPAF) system. These requests are routed to the University Director of Academic Finance and Budgeting for University approval. Faculty summer effort is subject to after-the-fact certification by the post award administration department. To request an After-the-Fact Certification Form, please contact the University’s Office of Sponsored Programs at grants@yu.edu.

Effort Reporting Cost-Shared Commitments

“Cost Sharing” occurs when the University "shares" a portion of a sponsored project's costs. Cost sharing can take many forms, including salaries, expendable supplies, and equipment costs.

Cost sharing may either be “mandatory,”9 “voluntary committed,”10 or "voluntary uncommitted."11 As a rule, University proposals should include only the minimum amount of cost sharing mandated by the sponsor. Voluntary committed cost sharing is strongly discouraged and requires the approval(s) stipulated. When the University agrees to voluntary committed, or mandatory, cost sharing and has proposed salary costs as the source of such cost sharing, the Effort Report is used to document that the agreed to cost share was provided by the University.

Whenever mandatory or voluntary committed cost sharing is proposed, the source of funds must be identified and approval must be obtained from the University official with authority over those funds. Expenses that represent mandatory and voluntary committed cost sharing must be treated consistently and uniformly and may be counted only once toward matching requirements. The Principal Investigator must document the fulfillment of the committed cost sharing and maintain compliance with the sponsor's requirements. All mandatory and committed cost sharing must be included in the semiannual effort certification in order to document that the commitment

9 Mandatory Cost Sharing: When cost sharing is “mandatory,” the requirement for cost sharing will be described in the solicitation or application guidelines. If the sponsor is silent about cost sharing or states that cost sharing is “encouraged,” cost sharing is not considered to be mandatory. For mandatory cost sharing, the sponsor may require a certain percentage/type of cost sharing or that applicants “match” the sponsor’s contribution according to a certain formula. Any quantifiable cost sharing described in the proposal then becomes a condition of the award that results and must be documented and reported to the sponsor.

10 Voluntary Committed Cost Sharing: Cost share is considered “voluntary committed” when an applicant describes in the proposal a quantifiable amount of resources it will contribute to the project at no cost and even though the sponsor does not state in the solicitation/proposal guidelines that cost sharing is required. Sponsors view any voluntary cost sharing offered at the proposal stage as “committed” cost sharing at the award stage. This means that any quantified cost sharing offered in a proposal that is submitted becomes fiscally and/or programmatically auditable and must be documented and reported to the sponsor if the proposal is funded. For example, if a faculty member proposes 15% effort and requests only 10% salary support, the 5% difference is considered voluntary committed cost sharing.

11 Voluntary Uncommitted Cost Sharing refers to any effort or resources contributed to the sponsored project beyond that which is committed and budgeted for in a sponsored agreement. Such voluntary uncommitted cost sharing is not included in either the proposal budget or the narrative, nor is it assigned to any particular sponsored project.
to the sponsor has been satisfied and that the funding of such activity has been properly reflected (i.e., not charged to another sponsored project).

**Effort Reporting Policy**

**Effective Date: July 1, 2017**

I. PURPOSE

This Policy describes Yeshiva University's (the "University") commitment to implement and manage its processes and procedures related to Effort Reporting. The University is committed to ensuring that effort expended on sponsored projects is appropriately documented, that salaries and wages charged to sponsored projects reasonably reflect the effort expended on them, that effort is certified by authorized University personnel in a timely manner, and that effort certifications comply with sponsor requirements and federal regulations.

II. WHO MUST COMPLY

All individuals involved with the administration and conduct of sponsored projects, including central and departmental sponsored project administrators, principal investigators, and other research personnel.

III. IMPLEMENTATION

The implementation of this Policy is the responsibility of the University's Office of Sponsored Research and the Finance Department.

IV. ADMINISTRATIVE OVERSIGHT

The University's Office of Sponsored Research and the Finance Department are responsible for the administration of this Policy.

V. REASON FOR POLICY

Federal regulations:

- OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Sections 2 CFR 200.430

VI. BACKGROUND

The University promotes intellectual exploration by pursuing excellence in teaching, learning, and research. This mission cannot be accomplished without promoting and conducting inquiry-based and use-inspired research and engaging in creative and scholarly activities. To cultivate a research culture and to support its research faculty, the University has established a set of
institutional policies and administrative controls to meet its compliance responsibility and to ensure accurate and timely accounting for the research dollars it manages.

Because Effort Reports are a means of documenting and supporting salary charges to sponsored projects, as well as other University responsibilities, it is essential that this data be based on reasonable estimates of actual effort expended on each sponsored project and non-sponsored or University-funded activities.

This Policy is intended to ensure that the University complies with the Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, as well as other sponsor requirements for certifying that effort expended on a project is at least commensurate with the salary charged against the sponsored project. The Uniform Guidance Subpart E §200.430 (hereafter referred to as “Uniform Guidance”) contains the federal regulatory requirements for acceptable methods of certifying effort devoted to all federally-sponsored projects. It is the University’s policy to comply with Uniform Guidance requirements for certifying time spent working on all sponsored projects, regardless of funding source. As a result of the federal regulatory requirements contained in the Uniform Guidance, the University has implemented an after-the-fact web-based Banner Effort Reporting System in conjunction with Banner Labor Redistributions as a means of recording, reviewing and certifying that direct labor charges to sponsored projects are reasonable and reflect actual work performed. Effort Reporting documents the proportion of time an eligible individual spends on all University activities as a percent of total effort.

VII. DEFINITIONS

Affiliated Institutional Activity: Services performed under terms of a non-sponsored agreement with an affiliated institution.

Banner Effort Certification module: A web-based application that is part of the University’s information computer system, which enables the University to meet the reporting requirements of the Uniform Guidance. The application tracks effort distribution data for University faculty and other employees compensated from sponsored projects, captures electronic certification, and utilizes the Banner Labor Redistribution module to provide a means of correcting and applying retroactive adjustments.

Clinical Activity: Treatment of clinical patients. It includes teaching or supervising residents, interns, and clinical personnel when such teaching effort does not properly belong in the instruction category. It also includes administrative and support services that solely benefit clinical patient care.

Effort: Amount of time spent on a particular activity. This includes the total of all activities associated with a faculty member’s institutional base salary in which he or she is engaged as part

12 This section sets forth definitions that are either used in this Policy or in the Banner Effort Certification Certifier Checklist.
of his or her employment obligation for the University – “full workload” or “Total University Effort” is defined as 100% effort.

**Effort Distribution:** A distribution that reflects the percentage breakdown of an individual's time actually spent on activities, regardless of where the salary is charged.

**Effort Reporting:** Method used to confirm to sponsors that the effort spent on a sponsored agreement reasonably reflects the salary and wages charged to that agreement. An effort report is an after-the-fact confirmation of activities for which the faculty member or other employee was compensated by the University.

**Faculty Member:** An individual employed by the University in a tenured, tenure-track or non-tenure track full-time position who teaches and/or performs research at any college, school, center or institute within the University. A Faculty Member also is deemed to be exempt under the provisions of the Fair Labor Standards Act (FLSA) and/or applicable state law.

**Incidental Effort:** Effort in addition to University Effort, for which it is customary to accept extra compensation (e.g., honoraria, intra-university consulting, “pay in excess” activities, etc.). Incidental effort is not documented in the Banner Effort Reporting System.

**Institutional Base Salary (IBS):** Annual compensation paid by the University for an employee’s appointment, whether that individual’s time is spent on research, teaching, administration, patient care, or other activities. The IBS does not include bonuses, one-time payments or incentive pay. Also excluded from the IBS is salary paid by outside organizations, and income that an individual is permitted to earn outside of their University responsibilities such as consulting.

**Instruction and Other Academic Activity:** The University’s teaching and training mission. It includes teaching and training activity where the employee is the instructor (whether for credit or not) and includes lectures, independent study, thesis preparation supervision, academic advising, curriculum development, seminar/workshop presentations, and non-sponsored research and scholarly activities.

**Labor Distribution:** A distribution that reflects the activities to which salary is charged in the payroll system.

**Mandatory Cost Sharing:** Costs which are required by the sponsor to be funded by the University and not sponsor-reimbursed.

**Non-Institutional Effort:** Effort performed outside the context of the individual’s University employment contract. It is not a part of University Effort and is not covered by the Banner Effort Reporting System. Employees subject to effort reporting must promptly notify the University’s Office of Academic Affairs when performing non-institutional activities for which the University does not receive compensation (i.e., via an independent consultant agreement).
Other Institutional Activity: University activities that are not appropriately reported under any other category. Examples include: institutional advancement, service centers, alumni relations, athletics, museums, theatres, and concerts.

Staff Member: An individual employed in any non-faculty category by the University, including an individual who is deemed to be exempt under the provisions of the Fair Labor Standards Act (FLSA) and/or applicable state law.

Sponsored Projects: Projects that support research, creative, and scholarly activities funded by external sponsors whose funds are administered by the University, or are projects that support research involving humans or animals as research subjects and are funded by external sponsors whose funds are administered by the University.

Sponsored Project Effort: Effort related to sponsored research, sponsored instruction and training, and other sponsored activities. The Banner Effort Reporting System identifies each sponsored project separately with the commensurate percent effort. Mandatory and/or Voluntary Committed Cost Sharing activities must be allocated to the cost sharing fund related to the sponsored project they support. Sponsored Project Effort also includes University-funded research (e.g. internally provided seed funding) that is separately budgeted and accounted for. This category does not include start-up funds or general department research.

University Effort: Work required to fulfill an individual’s employment obligations to the University. It may include both sponsored and non-sponsored activities. University Effort does not include incidental activities for which no additional compensation is received (e.g., editing a technical paper for a colleague), external consulting, volunteer or uncompensated effort, non-university authorized research effort, or professional services provided outside the University for non-University compensation.

Voluntary Committed Cost Sharing: Costs which the University has voluntarily agreed to fund even though not required by the sponsor in the solicitation/proposal.

VIII. POLICY STATEMENT

The University is committed to ensuring that effort expended on sponsored agreements is appropriately documented, that salaries and wages charged to sponsored agreements reasonably reflect the effort expended on those agreements, that effort is certified by authorized personnel in a timely manner, and that effort certifications comply with sponsor requirements and federal regulations.

This Policy requires that all University personnel, who allocate salaries and wages to Sponsored Projects, and/or are subject to Voluntary Committed or Mandatory Cost Sharing obligations, comply with the federal regulations contained in Uniform Guidance by recording, reviewing and certifying the Effort expended on those projects. That Effort is required to be certified by such personnel in a timely manner as described below, and to comply with sponsor requirements and federal regulations.
Per the Uniform Guidance, "The non-Federal entity's system of internal controls includes processes to review after-the-fact interim charges made to a Federal award based on budget estimates. All necessary adjustments must be made such that the final amount charged to sponsored awards is accurate, allowable, and properly allocated." To ensure compliance with this requirement, the University requires after-the-fact effort certifications for the affected faculty and staff three times a year: for Fall semester, Spring semester and Summer months.

All of these certifications must be completed within 90 days of the end of the Effort period as defined below.

<table>
<thead>
<tr>
<th>Effort Period</th>
<th>Effort Certification Requests Disseminated to Faculty</th>
<th>Effort Certification Due Dates</th>
<th>Actual Effort Reconciliation</th>
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</thead>
<tbody>
<tr>
<td>Fall Semester</td>
<td>December 25</td>
<td>January 25</td>
<td>March 31</td>
</tr>
<tr>
<td>Spring Semester</td>
<td>May 25</td>
<td>June 25</td>
<td>August 25</td>
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<tr>
<td>Summer</td>
<td>September 1</td>
<td>October 1</td>
<td>October 30</td>
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If a Principal Investigator (PI) or other required staff fail to comply with this Policy; the University may suspend or withdraw proposal submissions for the PI and may suspend work on a Sponsored Project. Non-compliance may also lead to other disciplinary actions in accordance with University policies, up to and including termination of employment.

**Calculating Person Months Effort**

As necessary, salary may be based on the number of months of effort, referred to as "Person Months". Person Months is the metric for expressing the effort (amount of time) PI(s), faculty and other senior personnel devote to a specific project. The Effort is based on the type of appointment of the individual with the University; e.g., calendar year (CY), academic year (AY), and/or summer term (SM); and the University’s definition of such. The University defines the academic year as a 9-month appointment.

There are three basic salary (wage) bases: Academic Year, Summer Term, and Calendar Year.

<table>
<thead>
<tr>
<th></th>
<th>9 months</th>
<th>39 weeks</th>
<th>273 days</th>
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</thead>
<tbody>
<tr>
<td>Academic Year (AY)</td>
<td>3 months</td>
<td>13 weeks</td>
<td>90 days</td>
</tr>
<tr>
<td>Summer Term (SM)</td>
<td>12 months</td>
<td>52 weeks</td>
<td>365 days</td>
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