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| Subject: Effort Reporting Alignment with Annual Workload Agreements | Author: Office of the Vice President for Finance and Office of the Executive Vice President for Research |
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I. PURPOSE / BACKGROUND

A significant percentage of University faculty conduct research and perform other services for which a portion of their salaries and benefits are supported through funding from sponsored sources. Under cost reimbursable agreements, the distribution of faculty and staff compensation and benefits charged to a sponsored project through payroll should reasonably reflect the allocation of effort committed by faculty and others who work directly on the project as set forth in the governing contract.

The purpose of this policy is to establish the requirements necessary to ensure that faculty who enter into such contracts align their annual faculty workload agreement (FWLA) with the allocation of effort committed to sponsored programs. Actual effort is evidenced through periodic certification of University Effort reports that are produced through the actual distribution of payroll.

The University of Louisville requires each faculty member to present an annual work plan that is endorsed by their department chair for approval by the dean. The approved FWLA identifies the allocation of each faculty member's responsibilities into categories such as teaching, research, service, and other institutional obligations. The FWLA should identify and segregate any compensation and activities not included within the definition of Institutional Base Salary.

It is incumbent upon each faculty member not to commit effort to sponsored programs in excess of those activities approved within the FWLA without prior approval to amend the committed sponsored workload. This is intended to minimize the risk of committing effort in excess of the percentages of Institutional Base Salary allocated to research, training/instruction or community service per the FWLA.

POLICY

Department chairs will assure that each faculty member's approved FWLA allocation of Institutional Base Salary to the categories of teaching, research, service and other activities is adequately communicated as necessary to align workload to committed effort. This would include notification to those individuals associated with the preparation of sponsored programs proposal budgets and to those who establish the payroll distribution of committed effort to a particular speed type.

Faculty will compare their current FWLA allocations of Institutional Base Salary to the effort percentages resulting from the payroll distribution as presented on the University Effort Report. At minimum, this should occur semi-annually when required to certify effort.

The intended result is to ensure that the Institutional Base Salary distributed through payroll to a sponsored program should reasonably reflect the effort expended on the project and that the total allocation of effort expended on sponsored programs reasonably complies with a faculty member's FWLA.

II. ORGANIZATIONAL RESPONSIBILITIES

Deans, Directors and Department Heads will ensure that FWLAs reflect an appropriate allocation of Institutional Base Salary to grants and contracts and other university responsibilities and provide the FWLA and Institutional Base Salary information to those who administer payroll, prepare proposal budgets and assist faculty with effort certification. Tools such as spreadsheets or a similar mechanism created to track workload, committed effort and payroll distribution for these faculty members over a period of time may assist in determining whether a change in the FWLA is required and likewise guard against over committing effort when a grant or contract is awarded.

The Office of Grants Management or Industry Contracts will record the proposed effort on all applications for sponsored funding.

The Controller's Office will request certified Effort Reports on a six- and twelve-month basis for any University employee expending effort on a federally sponsored award during the reporting timeframe.

PROCEDURE FOR POLICY

Departmental personnel must follow the Research Handbook (section 3.9) when including faculty salary in a proposal. Departmental personnel must confirm the faculty effort distributions in the annual FWLA align with the cumulative proposed effort committed to sponsored programs and/or document that the chair will alter the work load agreement should the sponsored program be awarded. The administrator must also assure that that the proposed salary is consistent with current institutional base salary plus anticipated adjustments as described in section 3.9.

Prior to posting salary to a grant, the departmental administrator must compare the proposed effort to the actual effort and salary budgeted in the award. If there is a difference, the PI must provide a justification, in writing, to the responsible departmental administrator who will have the chair approve the justification and assure, through consultation with grants management, that the change is consistent with agency guidelines. Documentation justifying the effort and the salary must be obtained and placed in the departmental grant file prior to posting salary to a sponsored program account.