FIN-028

Minimum Effort on Sponsored Programs

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Contact Office Sponsored Programs (Office of)

Oversight Executive
Vice President for Research

Applies To Academic Division and the College at Wise.

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Reason for Policy

This policy outlines institutional compliance with provisions of the U.S. Office of Management and Budget's Uniform Guidance (2 C.F.R. § 200) and relevant federal agency guidelines and is applicable to all federal and non-federal sponsored programs.

Definition of Terms

Committed Effort

Description

Any part of *'University effort'* that is quantified and included in a sponsored program proposal and the subsequent award (e.g., two summer months, 12% time, one half of a year, three person-months, etc.) regardless of whether salary is requested for the effort. This quantified effort/time is associated with a specific dollar amount based on the employee's institutional base salary. Associated effort and funding to support this devoted effort/time can be in the form of:

- **Direct Charged Effort:** Any portion of *'committed effort'* toward a sponsored program for which the sponsor pays salary/benefits.
- **Cost Shared Effort:** Any portion of *'committed effort'* toward a sponsored program for which the sponsor does not pay salary/benefits, which instead are paid using other, non-federal UVa sources.

Cost Sharing or Matching

Description

The portion of research costs that are not borne by the sponsors. Cost sharing on a sponsored program may be comprised of one or more of the following: mandatory cost sharing, voluntary committed cost sharing, and voluntary uncommitted cost sharing.

Voluntary Committed Cost Sharing

Description

Sharing costs of a sponsored program when it is not required by the sponsor but offered in the proposal budget or budget justification as a commitment to the project. When the proposal is awarded by the sponsor, the voluntary cost sharing commitment becomes part of a binding agreement and an award condition. Voluntary committed cost sharing must be tracked, documented, and reported (when required) to sponsors.

Voluntary Uncommitted Cost Sharing

Description

Sharing costs of a sponsored program which are over and above proposed and awarded commitments. Such cost sharing does not need to be tracked, documented, or reported to sponsors. For example, key personnel committed to and charged 25% of the institutional base salary to the project but spent 35% of his/her research effort on the project. The additional 10% is voluntary uncommitted cost sharing.

Institutional Base Salary (IBS)

Description

The annual compensation that the University and/or University Physicians Group pays for an individual's appointment, whether that individual's time is spent on research, instruction, administration, or other activities (e.g., patient care or proposals preparation).

Principal Investigators/Project Directors and Other Key Personnel

Description

Individuals whose effort is essential to the success of the proposed activity, either because of their critical leadership positions within the proposal (and consequently their intellectual guidance) or because of the uniqueness of the expertise they are contributing relative to the proposed scope of activity. 'Key personnel' typically include research scientists, principal scientists, and senior scientists, depending on their intellectual contribution to the proposed scope of activity. Typically, replacement of any of these individuals requires approval from the sponsor. Importantly, the status of 'principal investigator/project director' and 'key personnel' does not necessarily imply salary support from the sponsor.

Sponsored Program

Description

Any externally funded research, public service, or scholarly activity (including hosting or attending conferences) at the University that has a defined scope of work often including a set of specific programmatic objectives and/or deliverables, and line-item-based budget, providing the basis for sponsor expectations and awardee accountability (i.e., a reciprocal transfer of something of value). Sponsored programs are funded through grants, agreements, and contracts that include terms and conditions for the disposition of tangible properties and outcomes (e.g., equipment, records, specified technical reports, theses, or dissertations) or intangible properties and outcomes (e.g., rights in data, copyrights, and inventions). **Note:** The terms *sponsored program*, *sponsored project*, *sponsored award*, and/or *sponsored activity* are often used interchangeably.

Uncommitted Effort

Description

Any portion of '*University effort'* devoted to a sponsored program that is not charged to the sponsor and that is above the amount committed in the proposal and the subsequent award. This 'extra effort' is neither pledged explicitly in the proposal nor included in the award documentation as a formal commitment. Principal investigators/project directors and key personnel do not need to track uncommitted effort as cost shared effort.

University Effort

Description

All activities that comprise one's professional/professorial workload at UVA, including the Medical Center and the College at Wise, for which the employee is compensated (through UVA and/or the University Physicians Group). (See **institutional base salary**.) This includes research, instruction, other sponsored programs, administration, non-sponsored/departmental research, University service, competitive proposal preparation, and clinical activities. For payroll allocation confirmation, compensation for 'University effort' totals 100%, regardless of the number of hours worked or the individual's appointment percentage. (For activities included and excluded from *'University effort,'* reference Appendix A of policy FIN-027: Payroll Allocation Confirmation on Sponsored Programs.)

Policy Statement

In proposals and subsequent awards, regardless of sponsor type (federal or non-federal), Principal investigators/project directors and other key personnel must include some level of committed effort on sponsored programs, unless specifically exempted by the sponsor or listed in Appendix A of this policy.

Effort commitments must be quantified in the proposal by using such methods as a percentage of time, dollar amount of salary, number of months, etc. These commitments can be paid from (1) the sponsored program and/or (2) other, non-federal UVa sources and must be based on the employee's institutional base salary.

The minimum amount of effort committed to a specific sponsored program may be no less than 1% of the employee's '*University effort*.' Beyond this minimum, the specific amount of effort committed to a particular sponsored program is left to the judgment of the principal investigator/program director, based on their estimate of the effort necessary to meet the technical goals and outcomes of the project.

[See Appendix A for examples of sponsored programs that do not require a minimum level of committed effort by the principal investigator/project director and other key personnel and therefore are not subject to this policy.]

I. **Roles and Responsibilities:**
Each individual involved in proposal or budget development and/or the management of sponsored activities is responsible for adhering to sponsor requirements as well as applicable University policies and procedures. Specifically:

A. ***Principal Investigators/Program Directors and Faculty*** are responsible for:
- Communicating with unit administrators in the establishment of accurate and timely labor distribution schedules to appropriately allocate salary costs across various sponsored and non-sponsored activities.
- Committing effort on sponsored programs when applicable and as deemed appropriate for the scope of work at hand. (**For exceptions,** see Appendix A of this policy.)
- Verifying that all effort commitments (directly paid or cost sharing) are accurately reflected on the payroll allocation confirmation reports.
- Responding to any questions posed by reviewers regarding effort commitments.

B. ***Cost Center – Research Administrators*** are responsible for:
- Reviewing for and advising faculty on the inclusion of effort commitments as appropriate. (**For exceptions,** see Appendix A of this policy.)
- Providing assistance to individuals supported by sponsored programs, to accurately capture committed minimum levels of effort in payroll allocation confirmation reporting.

C. ***Cost Center Personnel responsible for allocating payroll,*** after consultation with the principal investigator/program director, are responsible for:
- Creating and maintaining payroll costing allocations for persons supported from sponsored programs so that salary costs are appropriately distributed.
- Processing payroll allocation adjustments in a timely manner.

D. ***Department Chairs/Division Heads*** are responsible for:
- Maintaining effective practices within the department/division to identify and monitor effort on sponsored programs in accordance with this policy.
- Reviewing effort commitments on proposals to confirm reasonableness of proposed effort.
- Maintaining effective practices to assist with proper and timely scheduling of payroll costing allocations for distribution of payroll charges to various sponsored and non-sponsored activities.

E. The ***Office of Sponsored Programs*** is responsible for:
- Establishing and communicating policies and procedures related to minimum effort requirements.
- Assisting cost center research administrators and faculty in determining if there is a requirement of minimum effort on proposed sponsored programs, some of which may not be subject to this policy (see Appendix A of this policy).
- Reviewing proposals for compliance with minimum levels of effort commitments in accordance with this policy.
- Conducting periodic reviews of certified payroll allocation confirmation reports to support effort commitments (including minimum commitments) to sponsors.

II. **Compliance with Policy:**
Failure to comply with the requirements of this policy may result in the dis-allowance of expenditures by the sponsor; such expenditures will be transferred to a non-sponsored fund source. In addition, an individual's failure to comply with the requirements of this policy may result in disciplinary action up to and including termination or expulsion in accordance with relevant University policies.

Direct questions about this policy to the Office of Sponsored Programs.

Procedures

OSP - Payroll Allocation Certification Procedure
OSP - Cost Share on Sponsored Projects

Related Information

FIN-027: Payroll Allocation Confirmation on Sponsored Programs
RES-009: Proposal, Acceptance, and Management of Sponsored Programs
Uniform Guidance (2CFR200)
NIH Grant Policy Statement

Major Category Finance and Business Operations

Next Scheduled Review Sunday, October 29, 2028

Revision History

Minor edit to the Policy Statement, Section 1, and Appendix A 10/29/25; Confirmed 3/19/21; Updated links and references 3/8/19; Updated 6/25/18; Added OE/VPR 4/2/18; Revised 2/12/18; Updated 11/11/11, Revised 7/13/11.

Category Cross Reference
Research Administration

Approved By Executive Vice President and Chief Operating Officer

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