Research Admin 101 Series

Award Setup, Commitments, Cost Share

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Agenda

1) Effort Commitments & Key Personnel
2) Cost Share
3) Break
4) Award Overview
5) The Award Setup Process
6) Questions & Wrap-up
**Effort Commitments & Key Personnel**

**What is a Commitment?**

- **Effort**:
  - Paid Effort
  - Cost-Shared Effort
  - Non-Payroll Cost Sharing

- **Non-Effort**: Not Paid By Sponsor

**Commitments and the life cycle of effort**

- **Pre-Award**:
  - Appointing Faculty & Staff
  - Effort is proposed, a commitment is made to the sponsor

- **Post-Award**:
  - Charging faculty
  - Effort is charged, in a real time manner consistent with activity
  - Effort is adjusted to reflect actual time and associated costs
Commitments – Who?

• Who has commitments?
  – PI (UW policy to have minimum of 1% effort to be listed as PI on projects/WISPER Awards)
  – Co-PI
  – Key Personnel (that are listed & identified in the proposal as senior/key personnel).
  – Note: When the proposal does not explicitly list key persons, the university defines key personnel for the purpose of effort reporting as the principal investigator/project director and all co-investigators.

Key Personnel

• Key Personnel: Individuals who contribute to the scientific development or execution of the project in a substantive, measurable way, whether or not salaries are requested. Consultants should also be included if they meet the same definition.
  – The concept of “substantive and measurable” focuses on how interchangeable the person is in their role with particular focus on Intellectual contribution and unique scientific knowledge.
• Key Personnel must devote measurable effort (in percent effort) to the project whether or not salaries are requested. “Effort of zero person months” or “as needed” are not acceptable levels of involvement for those designated as Key Personnel.
• Other Significant Contributors or Collaborators – Involved in scientific development of the project but have no measurable effort.

UW Effort Policy 8/29/07:

• Faculty cannot commit 100% of their effort on sponsored projects, as time must be reserved for other UW duties.
• PI must be a minimum of 1% effort commitment (regardless of salary requested) to that sponsored project (WISPER Award).
  – Exception 1: No PI Commitments on:
    • Equipment and instrumentation grants, doctoral dissertation grants, and student mentoring grants
  – Exception 2: Can have less than 1% if individual is the PI on multiple clinical trials.
    • The commitment to any one trial may be less than 1%, as long as the sum of all the commitments represents a reasonable level of effort.
Commitments – What, Where?

• Proposal Stage:
  – What? The amount of effort you propose in a grant proposal or other project application
  – Where? Budget justification, Budget, SOW (if specific & quantified)
    • Ex 1: "Professor Jones will devote 10% of her time during the academic year to this project."
    • Ex 2: You propose 30% effort for 12 months
      – You request salary support for 10%
      – Your effort commitment = 30%
Example 2: Salary & Wage – Non SF 424 Budget: Heading = Senior/Key Persons

Need to look at other parts of the proposal.

Example 3: No-one listed in Key Personnel Section

No KEY PERSONNEL

Example 4: Check Budget Justification

Please review the details and provide feedback or comments regarding the budget justifications.
Commitments – Who, What, Where? (Cont’d)

• Award Stage: Amount of effort proposed that the sponsor accepts & awards, regardless of salary support
  – Sponsor reduction in budget does not mean they accept a reduction in effort. Options to consider:
    • Keep salaries & effort the same as proposed; reduce other budget categories (travel, supply)
    • Keep effort the same, reduce salaries – document increased cost share
    • Reduce effort commitments – prior approval needed from sponsor if reduction is 25% or more than what was originally proposed

Commitments Finalized at Award Stage

• Commitments exist when:
  – Award document lists key personnel with their title/names & effort
  – Award mechanism contains proposal docs – and there are commitments quantified for key personnel in the proposal
  – Award document ONLY lists PI, Co-PI names/effort.
    • Proposal DOES NOT have key personnel.
      • Proposal DOES NOT have effort quantified for key personnel.
        – RSP to verify that only the PI & Co-PI get entered in WISPER w/commitments
  – Award document ONLY lists PI, Co-PI names/effort.
    • Proposal DOES have key personnel.
    • Proposal DOES have effort quantified for key personnel.
      – RSP to verify that all key personnel are entered in WISPER w/commitments.
• NIH Key Personnel Policy is that there are two kinds of key personnel: Those listed on the notice of award (require prior approval) and those identified in the proposal as key (no prior approval)

Commitments are entered in WISPER Projects Tab
Commitments – Who, What, Where? (Cont’d)

- No-cost Extensions
  - All award terms/conditions apply
  - Effort changes may be requested at this time
  - Request sponsor approval on any decreases (approval from sponsor needed if reduction is 25% or more)
  - Effort rate is assumed the same rate over the No-Cost Extension period
After Award Setup: Commitments Updates (Incremental Funding, Supplements, etc...) https://www.rsp.wisc.edu/forms/costshare.pdf

The Process in a Nutshell:
- Commitments entered in WISPER Projects Tab
- RSP verifies commitments at Award Setup
- Commitment established & data flows into Grants
- Effort is expended on the project
- Effort reporting ensures commitments are met (ECRT)
- Updates to effort or cost share: Use "Cost Share and Commitment Updates" form
  - If sponsor approval required, RSP facilitates the request to sponsor

RSP Process – How data flows from PeopleSoft

Capturing Commitments
Case Study: Funding Commitments

Case Study – calculating effort
- Ron Burgundy is a 12 month faculty who is paid $140,000/year. Ron is awarded a grant from 7/1/12-12/31/12. His budget calls for him to be paid $20,000. What is his effort commitment?
  - Figure out calendar months
    - $140,000/12 months = $11,667 monthly
    - Payroll yearly/monthly = $20,000/$11,667 = 1.71 salary months
  - Figure out dates
    - 6 project months from Jul-Dec
  - Figure out effort commitment
    - 1.71 salary months/6 project months = 28.5% effort
    - Round to nearest whole number = 29% effort

Case Study: Salary Cap Commitments

Case Study – calculating salary cap effort
- Ron Dane is a 12 month faculty who is paid $200,000/year. Ron is awarded a grant from 1/1/12-12/31/12. His budget calls for him to be paid 10%.
  - Salary cap is $183,300 base salary per year
  - Figure out salary to be proposed
    a) $200,000*10% = $20,000/yearly
    b) $183,300*10% = $18,330/yearly
  - Figure out salary to be charged
    - Salary cannot be charged more than the current cap rate
    - In this instance $18,330 should be charged or 9.165% of their total salary
  - Figure out effort commitment to be entered
    - 10% sponsor paid is the commitment to be entered
    - Do not enter as 9% paid and 1% cost shared

Discussion Questions: Senior/Key Personnel

Discussion Questions – Senior/Key Personnel
You are working with the lead PI on an R01 to the NIH. The lead PI would like to include his two post-docs as Senior/Key Personnel in the proposal, and also would like to list as Senior/Key Personnel his colleague from another UW Department, who is only advising on the project and will not be paid any salary.
  - What are some considerations for the PI for listing his post-docs as Senior/Key Personnel?
  - How might he categorize his colleague in the Personnel section on the proposal?
Summer Commitments

Commitments and Examples (Summer Only Salary)

EXAMPLE:
9 month Faculty works 2 summer months – and devotes it all to one project, PRJ12AB:
- Total months of compensation: 11
- What is the commitment?
  • 100% for 2 summer months
  • Overall yearly commitment = 2/11 = 18%.
- When entering C-Basis and summer commitments either spread them over the entire 12 month calendar year or break out to 9 month C-Basis and 3 month summer
  - For each person it can be either way but all commitments must be in the same fashion

Summer Commitments – Keep in Mind

- See Page 9 of the EC manual for Summer Salary effort
  https://www.rsp.wisc.edu/effort/training/GuidelinesForEffortReporting.pdf
- Keep in mind the “8/9 rule”
  - UW-Madison policy: Any faculty, academic staff, or limited appointee on an academic year (9-month) appointment may not exceed eight months summer salary over any three-year period.
- The specific month worked may not be known
  - Budgets may list “1 summer month” without identifying which month. PI’s may not know which summer month they will work at the proposal stage/award stage.
  - It is important to track which month is actually worked and ensure it aligns with ECRT
A Closer Look at Cost Share

Cost Share

Commitments

Effort
Paid Effort
Cost-Shared Effort
Non-Payroll Cost Sharing

Non-Effort
Not Paid By Sponsor

What is cost sharing?

- OMB Circular A-110: "Cost sharing or matching means that portion of project or program costs not borne by the Federal Government."

- Uniform Guidance, § 200.306: Cost Sharing or Matching: "Under Federal research proposals, voluntary committed cost sharing is not expected." And "Criteria for considering voluntary committed cost sharing and any other program policy factors that may be used to determine who may receive a federal award must be explicitly described in the notice of funding opportunity."

- Definition: "Cost sharing is the portion of total costs of a sponsored project that is borne by the UW, rather than the sponsor."
Five Types of Cost Sharing

<table>
<thead>
<tr>
<th>Mandatory</th>
<th>Mandatory</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voluntary</td>
<td>Unavoidable</td>
</tr>
<tr>
<td>Critical to support the research enterprise</td>
<td></td>
</tr>
<tr>
<td>Example: PI's minimum 1%</td>
<td></td>
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<tr>
<td>Example: Small awards where PI's salary would be too great a portion of the awarded amount</td>
<td></td>
</tr>
<tr>
<td>Institutional</td>
<td>Institutional</td>
</tr>
<tr>
<td>Offered “just because”</td>
<td></td>
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</tbody>
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Cost Sharing Policy

- Generally, UW’s policy is to minimize institutional and 3rd party cost sharing on sponsored projects.
- Allowed when mandated or necessary to reflect accurately the resources that must be expended to accomplish the project objectives.
- Approval of voluntary committed cost sharing rests with the Dean’s or Director’s office.
- Each Division may have their own requirements in addition to this policy.

Policy: [https://www.rsp.wisc.edu/costsharing/costsharing_policy_20101021.pdf](https://www.rsp.wisc.edu/costsharing/costsharing_policy_20101021.pdf)

Cost Sharing Policy

- What are the cost sharing impacts?
  - Institution redirects resources to support specific scientific project beyond the funding level provided by the sponsor.
  - Potential limitations to programmatic, administrative and financial capabilities to the researcher and University.
  - Reduces flexibility of researchers to conduct other research by obligating effort.
  - Increasing requirements for capturing, monitoring and documenting commitments and expenditures.
  - Decreases the University’s recovery of indirect costs.
Cost Sharing Guidance

• When is it appropriate to offer voluntary cost share?
  • To meet OMB requirements for minimum commitment of PI effort on sponsored projects (1% minimum at UW)
  • To support investigator on an award for which the total direct costs are a small dollar amount
  • To respond to clear indication from the sponsor that cost sharing will increase competitiveness of a specific proposal
  • To establish an institutional commitment for certain federal agencies (NEH, NEA) that use cost sharing to demonstrate the leveraging effect of federal funding

Guidance: https://www.rsp.wisc.edu/costsharing/costsharing_guidance_20101021.pdf

Cost Sharing Guidance

• What are alternatives to voluntary cost sharing?
  • Offer resources without making a specific and quantifiable commitment.
  • Limit number of explicit commitments
    • Example: “PI X will oversee all aspects of the project. University resources are available as needed for the performance of the sponsored project at no direct cost to the project”

Cost Sharing Guidance

• Preferred mechanisms for cost sharing
  • UW salaries and fringe benefits
  • F&A costs associated with any cost shared direct expense
  • Unrecovered F&A costs due to a lowered or waived F&A rate
  • Third party cash contributions
Cost Sharing Guidance

- Acceptable, but not preferred mechanisms for cost sharing
  - Purchase price of equipment being acquired by the UW
  - Travel expenses
  - Tuition or tuition remission
  - Supplies
  - Volunteer effort, whether coordinated by the university or a third party
  - In-kind contributions from non-UW third parties

What Constitutes An Award?

What Types Of Awards Are There?

What Do Awards Look Like?

Lifecycle

<table>
<thead>
<tr>
<th>Pre-Award</th>
<th>Post Award</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agency Development (6-12 Months)</td>
<td>Project Period</td>
</tr>
<tr>
<td>1st Budget Period</td>
<td>2nd Budget Period</td>
</tr>
</tbody>
</table>

1. Submit Proposal
2. Revised Budget
3. Pre-Award Costs
4. Award
5. Submit Renewal/Competing-Continuation
6. Final Reports
**Award Types**

- **Grant**
  - Purpose is to transfer money, property, services, or anything of value to recipient in order to accomplish a public purpose
  - No substantial involvement between sponsor and recipient

- **Cooperative Agreement**
  - Purpose is to transfer money, property, services, or anything of value to recipient in order to accomplish a public purpose
  - Substantial involvement is anticipated between sponsor and recipient

- **Contract**
  - Principle purpose is to acquire property or services for direct benefit of the sponsor
  - Cost-reimbursable: Invoicing based on expenditures
  - Fixed-price: Invoicing based on milestones or deliverables

**Types of Award Actions**

- **New Award/Competing Award**
  - New research or project idea funded competitively for the first time

- **Continuation Award/Non-Competing Award**
  - Incremental funding of a previously approved project period (such as annual funding on a multi-year project)
  - Usually based on reasonable progress reported by investigator

- **Renewal/Competing Continuation**
  - Continuing project funded competitively for a new project period

- **Supplemental Award**
  - Additional funding provided by the sponsor during a previously approved budget period (such as an REU - Research Experiences for Undergraduates - supplement to an NSF award)
Types of Award Actions

• Modification/Amendment
  – Budget modification
  – Change in scope of work or significant change in research plan
  – Change in key personnel or level of effort on the project
  – Administrative changes (e.g., change in reporting requirements)
  – Termination of agreement

• No-Cost Extension
  – Extension of agreement end date without additional funding from the sponsor.

Typical Elements of an Award Notice

• Awarding entity and authority
• Sponsor award number
• Catalog of Federal Domestic Assistance Number (CFDA)
• Recipient/Awardee name (institution)
• Name of Principal Investigator/Project Director
• Reference to proposal or project title
• Award period (start and end dates)
• Funding (total, incremental)
• Invoicing/payment
• Reports/deliverables
• Terms and conditions (in text, attached, or incorporated by reference)
Office of Management and Budget Circulars

**OMB Circulars for Cost Principles Applicable to All Awards:**
- **A-21:** Cost Principles for Educational Institutions (Revised May 10, 2004)
- **A-87:** Cost Principles for State, Local and Indian Tribal Governments (Revised May 10, 2004)
- **A-122:** Cost Principles for Non-Profit Organizations (Revised May 10, 2004)
*Although hospitals are not subject to A-21, A-87 or A-122. It is important to note that Cost Principles for Hospitals fall under OMB 45 CFR Part 74*

**OMB Circulars for Uniform Administrative Requirements:**
- **A-110:** Grants and other Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations: Uniform Administrative Requirements (Revised November 19, 1993, Amended September 30, 1999)
- **A-102:** Uniform Administrative Requirements for Grants and Cooperative Agreements With State and Local Governments

**Regulations Applicable to Audits:**
- **A-133:** Audits of States, Local Governments and Non-Profit Organizations (Revised June 24, 1997)

**Regulations Applicable to Procurement Actions:**
- **FAR:** Federal Acquisition Regulations (first published, Federal Register, 9/19/83; on-going revisions)
Office of Management and Budget Circulars

Uniform Guidance
The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

- The Uniform Guidance streamlines and supersedes guidance that was previously contained in eight different OMB Circulars. Included in the new guidance are definitions, uniform administrative requirements (both pre- and post-award), cost principles, and audit requirements. From the university perspective, the Uniform Guidance will supersede OMB Circulars A-110, A-21, and A-133.
- Effective date of 12/26/2014
- https://www.rsp.wisc.edu/UG/index.html

The Award Setup Process

WISPER – Electronic Routing

WISPER is an electronic application for routing, approval and negotiation of sponsored applications and agreements:
- Create, route & sign routing forms electronically from ANYWHERE in the world
- Share attachments with collaborators and administrators (budget, RFP)
- Track the record from creation through negotiation and award setup. Know when the PI signs, when the Division approves and when RSP submits!
- WISPER is used to submit proposals, receive and negotiate incoming awards and setup project numbers allowing spending.
WISPER

WISPER will not handle routing of
• Gifts
• Gifts in Kind
• Checks (unless associated with new Award)

* Fee For Service Agreements go through WISPER to OIP (UW Office for Industrial Partnerships)

WISPER Specific Questions?
email: WISPER@rsp.wisc.edu

WISPER-Resources

WISPER at RSP
https://www.rsp.wisc.edu/WISPER/index.html
Login
Notes & tips from RSP
Manual
Updates page
Desk References
Webcasts
Test & Training Site Login

Projects Tab
When to start?

If RSP receives the award first - we will send a “Set up Projects” approval to the Award Setup contact (list maintained by Division). The purpose is to capture the details of the award for account creation.

If PI or Department receives award notice first:
– You can Upload document(s) to Attachments tab
– Complete Projects tab
– Send Setup approval to Division or RSP
WISPER – Division Implementation

Your Division may have specific instructions on the following items. Please ensure that you communicate with your Division Research Administrators to determine if they recommend any specific method for:

- Who will initiate Project Details?
- Who will complete Project Details?
- Routing path
- Use of approvals
- Attachments expected

Projects Tab

Projects Tab

- Award Costs & Dates to match award (if advance, best known information $0 OK)
- Multiple Projects (Subaccounts)

Add them NOW. RSP will require justification if you ask for them after the award has been generated.

- The project necessitates division of budget or accounting by multiple tasks, departments or other factors.
- The award incorporates multiple F&A rates (e.g., NSF grant with REU component).
- Separate fiscal periods require separate accounting, billing or fiscal reports (such as NIH P, T, or U mechanisms).
- * If a new project will be needed each year, set up a new project for each year (Click on “Add Project” button to start)
- * If you are not sure if projects will be needed each year, contact RSP to discuss

WISPER – Protocol Details

Protocol Details

For any Compliance question to which you responded yes…
WISPER – Protocol Details

…the protocol must be approved and entered under the Details link.

For exempt IRB: Check Yes on the General Page. Enter the protocol number, approved status, date approved and expiration date of 12/31/2099.

For WIRB: Upload a copy of the approval as an attachment.

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WISPER - Project Details

Project Details – Necessary Info

Description – Use this for your own Reference (It will appear in reports and WISDM.)

PI Name

Project Type (Research, Public Service etc.)

Fund Code

• 144 (Federal/Federal pass-through) or

• 133 (Non-Federal)

Department

Project Dates - Start & End

F&A Information

• F&A Rate Type – Research, Instruction, Public Service, Off-Campus

• FA Base - MTDC, TDC

• FA Rate - % recovered from Sponsor

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WISPER - Project Details

Project Details - Combo Edits (Department & Program)

Allowing People to Spend on Account #

• Single or Multiple Departments

• Program Codes –

• Reference: http://www.uwsa.edu/fadmin/activity/

Budget Details

• Direct/F&A, Category, or NIH Training Grant

• If Advance Award, can leave these as $0

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Export Control Questions

- Questions relate to the expected export control items of this project
  - Contact Export Control Office for additional help

Enter the Commitments by each Sponsored Project Budget Period - Using Start/End dates. (Payroll should be set up to match each entry)

- Only Senior/Key Personnel with effort commitments should be entered
- Enter effort commitments based upon period of the commitment
  - Example 1: Project period is 5 years, enter consistent commitment across all 5 years
  - Example 2: Project period is 5 years, enter changing commitment in each year
- Enter cost share commitments, identifying Voluntary or Mandatory, and source of funding

PI’s must log in with their own NetID & sign

- Link is only available for those listed as PI
  - Link at the top of the General tab & the bottom of all other tabs
- Award Signature must be completed before the request to set up the advance award or finalize set up of the projects.
- Know whether the PI has signed by clicking on the Request signature button on the General Tab or looking in the Document History (request using button on General Tab if needed)
WISPER – PI Signature

PI signature on History tab

WISPER – Advance Award

Request Advance Award

Projects to be set up in advance of the award a) being received or b) fully executed.
1. Complete all information on Projects tab
2. Validate!
3. Add approval REQUEST ADVANCE AWARD SETUP to your Division
4. Division then notifies RSP via Division Action page
5. The day after advance award setup is completed, an email notification is sent to those on Department email contacts list. Check Document History if you are not listed.

WISPER – I’ve Completed Project Entry

Validate!
• If RSP sent you an approval, respond to it.
• Make sure to click “Validate” button prior to responding to the approval. Correct any errors. Errors appear in RED.

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Questions?

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