

Guidelines for Assigning Effort on Sponsored Awards for Dually-Compensated College of Medicine Personnel

Background

The College of Medicine employs a significant number of faculty and staff who are also concurrently employed by UC Health or one of its private affiliates. When these individuals work on federally sponsored programs, the work always takes place on behalf of the University of Cincinnati. When balancing the workload for dually-compensated personnel, the College of Medicine has chosen to consider their total professional effort (TPE) when assigning them to sponsored programs. Therefore, if an individual was going to commit 20% of their TPE to a sponsored program, at least 20% of their total salary should be paid on the University side, and that portion of their salary should be assigned as a cost of the sponsored project.

EXAMPLE:

Dr. Smith is dually compensated in the following amounts:

University salary: \$35,000

Private Practice Salary: \$165,000

Salary used to calculate Total Professional Effort: \$200,000

Dr. Smith receives a sponsored award for the NIH, for which he committed 20% of his total time. His University salary should be increased to at least \$40,000 (and his PP salary reduced to no more than \$160,000) to cover the effort on the project. His University proportion could be higher than this, if he has other University duties to attend to during the project period.

Total Professional Effort (TPE) vs. Institutional Base Salary (IBS) and Labor Verification

It is important to distinguish between Total Professional Effort (TPE) and Institutional Base Salary (IBS).

TPE is used by the College of Medicine and UC Health to manage the total workload of personnel, and to ensure that they have committed appropriate time to each institution. The total salary paid against a sponsored project is based on a percentage of the employee's TPE.

IBS is used to calculate the proportion of **University of Cincinnati** time an employee spends on a given sponsored project, and is used when calculating effort for Labor Verification Statements (LVS). LVS are required to be certified for any federal award, per 2 CFR part 200 (Uniform Administrative Requirements for Federal Awards). LVS **only** include activities paid by the University. Therefore, the proportion of TPE assigned to a project may not match the proportion of IBS assigned to a project.

Accounting for the NIH Salary Cap

Since 1990, Congress has mandated a limitation on direct salary for individuals under NIH grant and cooperative agreement awards. This restriction is currently set at the Executive Level II of the Federal Executive Pay Scale (\$187,000 as of January 2017; a summary of this cap can be found at

https://grants.nih.gov/grants/policy/salcap_summary.htm).

For individuals who earn amounts in excess of the cap, a proportion of the cap amount equal to their commitment on a sponsored project may be charged directly to the award; an amount equal to their salary above the cap must still be committed to the project, but classified as a “cost share” and paid by the institution. Since all activity on federal awards takes place within the University, and never within UC Health or the private practice corporation, any required cost sharing for amounts above the cap must also be paid by the University.

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Because Dr. Smith is above the mandated NIH salary cap, only \$37,400 (20% of the \$187,000 cap) would be charged directly to the sponsored program. An additional \$2,600 would be paid by the University and assigned as a Cost Share against the same project.