

Important Update

Office of Research Administration

February 2014

Voluntary Committed Cost Sharing in Proposals

The purpose of this *Important Update* is to remind the community of and clarify the University's position regarding effort commitments in the form of voluntary committed cost sharing. Voluntary committed cost sharing is defined as a cost associated with a sponsored project, which was proposed in a funding application, but was not required or funded by the sponsor. (See cost sharing definitions below.)

The University discourages the practice of voluntarily committing effort without compensation to a sponsored project. In general, voluntary committed cost sharing is only approved in advance, and when it represents a clear competitive advantage as part of a funding proposal. Voluntary committed cost sharing generally may not be used after an award is made as a means of meeting effort commitments that were originally funded by the sponsor.

For example, including summer salary in a budget represents an effort commitment to the sponsor. Except in limited circumstances (see FAQ #3. below) those salary funds cannot be re-budgeted for other purposes and thus in most cases the PI cannot use voluntary committed cost sharing after an award has been made to meet the promised effort commitment.

Explicit sponsor requirements for commitment of effort must be met by salary charged to the award. For 9-month faculty not enrolled in the 9-over-9 program, such commitments can generally only be met via summer salary.

The University position on voluntary committed cost sharing is stated in [Policy 1316](#), as follows:

1316.02 Institutional Policy on Voluntary Cost Sharing of Effort

Yale University does not typically cost share effort on a voluntary basis, consistent with its objectives of receiving fair compensation from sponsors for research and scholarly activity conducted at the University. A voluntary commitment of sponsor-uncompensated effort should be made only where the competitive circumstances or perceived institutional benefit of receiving the award are deemed to be sufficiently strong to warrant the commitment. See Section 1316.05 regarding uncompensated summer effort.

Approval for voluntary committed cost sharing must be obtained from the Dean for self-support units or the Provost for FAS units prior to the preparation of the budget and budget justification.

As a recipient of sponsored awards, the University is obligated to ensure that the PI has committed some effort (either charged directly to the sponsored award or charged to non-sponsored project funds) to all federal and non-federal awards with few exceptions, e.g., equipment, instrumentation, travel, conference grants as well as grants solely for postdoctoral, pre-doctoral, or graduate student salary/stipend support. In order to fulfill this requirement Yale's policy states:

1316.03 Minimum Proposed Effort

Faculty and other key personnel are expected to meet minimum mandatory effort requirements on sponsored projects. Acceptance of an award with specified minimum mandatory effort requirements such as certain program project awards, and center or career development awards carries with it responsibility for meeting those requirements.

Faculty are expected to propose some level of sponsor supported activity or the minimum required by the program on proposals on which they are listed as Principal Investigator or key personnel unless specifically exempted by the sponsor. (Examples of exceptions to the minimum proposed effort requirement would possibly include doctoral dissertations, equipment and instrumentation grants, travel grants, and conference awards.) If an award is accepted, the faculty member and key personnel are committed to providing this level of effort over the annual budget period of the award unless sponsor policies permit otherwise.

Note: *Faculty with a 9-month appointment who request and receive summer salary support from a sponsor must fulfill the above minimum proposed effort requirement by directly charging the sponsored award.*

In concert with the above policies, the following apply:

Faculty with 9-month appointments who are NOT participating in the 9-over-9 program:

Effort devoted to a sponsored project usually occurs throughout the calendar year. For faculty on 9-month appointments this effort is generally paid for by the University during the academic year, while the sponsor pays their effort in the summer. Faculty with 9-month appointments who devote such effort to a sponsored project during the course of the academic year **may continue to do so but only without formally committing a specific amount of academic-year effort in the proposal unless, they elect to participate in the 9-over-9 program.** In order to indicate the general availability of time for research during the academic year, proposals submitted to sponsors should include the following statement:

Yale fully supports the salary of its faculty holding a 9-month appointment, which they may use for research, instruction, and administrative purposes. In accordance with these responsibilities, however, Yale makes no specific commitment of time or salary to this particular sponsored project during the academic year. This voluntary effort during the academic year is determined by the principal investigator and is not monitored by the University.

In general, faculty on 9-month appointments who are **not** enrolled in the 9-over-9 program must meet all explicit sponsor requirements for commitment of effort via summer salary. Faculty must ensure that the salary proposed for summer effort is budgeted accordingly and used for that purpose. Any deviation from this expectation requires the prior approval of the Provost's Office.

Faculty with 9-month appointments who ARE participating in the 9-over-9 program:

Faculty with a 9-month appointment who are supported with University and sponsor funds during the academic year can request salary from sponsors for both academic year and summer effort. All proposals must meet the requirement of paid effort supported by the sponsored award as stated in Policy 1316.03 above.

Research Faculty with 12-month appointments:

Research faculty with a twelve-month appointment are generally supported entirely by sponsor funds, with no explicit delineation between summer and academic year effort. Because twelve-month faculty do not typically receive University funds for their effort, voluntary committed cost

sharing of salary is generally not permitted for those individuals. All proposals must meet the requirement of paid effort supported by the sponsored award as stated in Policy 1316.03 above.

In summary, faculty with a 9-month appointment and **not** in the 9-over-9 program:

- Must indicate a reasonable % of sponsor supported summer effort in a proposal unless the proposal is considered to be an exception to this requirement, such as an equipment or travel grant, or if there is an explicit sponsor requirement for committed effort that can not be met during the summer months (requires the prior approval of the Provost's Office or dean of self-support schools).
 - Must fulfill that commitment as awarded and during the time period indicated in the sponsor approved budget
 - Cannot repurpose sponsor dollars supporting their summer salary (unless permission is granted by the sponsor to reduce effort or the reduction is less than 25% of the budgeted effort commitment)
 - Cannot cost share academic salary in order to fulfill a summer commitment to a sponsor
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Definitions:

Mandatory Cost Sharing is either required by the terms and conditions of an award or by federal statute and requires Yale to contribute toward the project as a condition of receiving the award.

Note: Yale treats NIH **Salary Over the Cap** as a form of mandatory cost sharing.

Voluntary Committed Cost Sharing is identified in a proposal, but is not required or funded by a sponsor. For example, % effort of a key researcher is stated in a proposal budget or in the text of the proposal but compensation is not requested.

Voluntary Uncommitted Cost Sharing is a cost associated with a sponsored project and not funded by the sponsor and which was not committed in a proposal or in any other communication to the sponsor.

Frequently Asked Questions:

1. **I am a PI and not in the 9-over-9 program and I requested 1 summer month of salary from NSF. Can I use those funds to support my graduate student and still devote effort to the award and not take any salary from the award?**

Unfortunately, this would not be permitted. The University's policy is that some level of effort must be paid from the sponsored award with certain exceptions. In this situation, no salary is charged to the award in support of the commitment to the NSF and because Yale has no obligation to pay summer salary during the summer, Yale cannot document effort on the award. ***Funds budgeted for summer salary may only be used for other purposes when you are devoting less effort to the award (not no effort). Reductions of effort of 25% or greater require the prior approval of the sponsor.***

2. **Can I include summer effort in my proposal and not request salary support?**

No, unless the proposal meets one of the exceptions to required paid effort from a sponsored award (i.e., equipment, instrumentation, travel, conference grants as well as grants solely for postdoctoral, pre-doctoral, and graduate student salary/stipend support).

3. **I am a PI with a 9-month appointment, I am not in the 9-over-9 program, and I have received 5 months of summer salary from various sponsors. The University's policy is that I can only charge 2.5 months of summer salary, cannot cost share effort in the academic year, so how do I fulfill my obligation to my sponsors?**

You can fulfill your commitments by doing any of the following:

- Participate in the 9-over-9 program and direct charge your salary supporting the effort during the academic year to the award and receive those equivalent dollars in a research account.
- Reduce your effort on your awards and request permission from your sponsors if necessary. Most federal granting agencies permit a reduction in effort without prior approval from the sponsor if the reduction is less than 25%.
- Request permission from the Provost's Office to devote a full 3 months of effort to your sponsored awards, keeping in mind that no other activities or time away are permitted during those three summer months.

4. **I am a PI applying for a small grant (total cost budget range \$20-75k) and am using the funds to primarily support a graduate student. The budget is too small to charge salary. What do I do?**

If the proposal includes a scope of work to support your research, you must request support for the effort you are devoting to the research. If the proposal is solely for postdoctoral, pre-doctoral, or graduate student salary/stipend support, and is a non-federal award, then no minimum salaried effort needs to be budgeted. However, you must consult with the Office of Grant and Contract Administration to determine whether PI effort is required.

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