



Faculty Effort Certification Policy and Procedures

Responsible Offices: FAS Research
Administration
Services

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I. Policy Summary & Purpose

The federal government requires that salaries of faculty paid fully or partly from federal sponsored awards be “certified” in a process that is distinct from appointment and payroll procedures. According to federal regulations, salaries paid must be commensurate with effort expended. This policy governs the process of certifying the salaries and effort of faculty members on federal sponsored funds.

II. Policy Statement

Section J.10 of Office of Management and Budget Circular A-21, *Principles for Determining Costs Applicable to Grants, Contracts, and Other Agreements with Educational Institutions*, requires that institutions incorporate into their payroll distribution systems a method for verifying that the work for which an employee on a federally sponsored project was paid was actually performed. This payroll certification process is known more generically as “effort reporting.” Since salary and fringe benefit charges typically amount to 60% or more of sponsored expenditures, the Government has elevated its scrutiny of institutional effort reporting systems and practices dramatically in recent years, as reassurance that federal dollars are being spent responsibly.

Circular A-21 does not mandate particular procedures for salary certification, but it does require that:

- Salaries paid must “reasonably reflect the activity for which the employee is compensated by the institution....”
- An “after-the-fact confirmation” of activity must be performed, so that the certification is based on actual, not proposed, costs.

- Activities must be “confirmed by responsible persons with suitable means of verification that the work was performed.”
- Pay must be allocated proportionally among multiple activities in which the employee is involved.
- Salary certification “may reflect categories of activities expressed as a percentage distribution of total activities,” since different institutions define a “full workload” differently.

To comply with these guidelines, the FAS has adopted two separate salary certification programs, one for faculty and one for all other employees. The certification process for non-faculty employees is carried out monthly *via* a paper-based process in which departments and research centers play a dominant role (see <http://www.fas.harvard.edu/~research/policy/effort/salcert.html>). Certification of salaries for all faculty members (full, associate, and assistant professors, as well as instructors, preceptors, senior lecturers, etc.) and also for research associates whose salaries are supported in whole or in part by federal funds is carried out annually, according to the procedures described here.

The Principal Investigator (PI) of each sponsored project bears the ultimate responsibility for spending awarded funds appropriately, and he or she must certify his or her own effort on sponsored projects. On an annual basis, he or she must log into FASERS (Faculty of Arts and Sciences Effort Reporting System) and certify that:

- he or she devoted the indicated proportion of his or her time and effort to that project,
- the work occurred during the indicated time period.

Since federal auditors expect 100% correlation between pay received and effort performed, it is critical that faculty only be paid from sponsored projects on which actual effort is expended. Also, auditors typically regard transfers of charges to grants as evidence of poor grants management, so salaries should be billed to the correct projects initially and not changed later. In the rare event that a change in funding source must be made, all journals of salary charges **onto** federal sponsored awards must comply with Harvard’s Cost Transfer Policy (http://vpf-web.harvard.edu/osr/managing/man_cos_transfer.shtml).

Important Note: Several of our sister institutions have undergone audits and investigations by federal agencies recently, with a particular focus on effort reporting. In some cases, severe financial penalties and funding disallowances have resulted. To minimize Harvard’s exposure in the event of such a visit to our campus, this Policy must be complied with in all of its aspects, with a participation level of 100%. Anyone with responsibilities for any portion of this Policy (see Roles and Responsibilities below) who has questions or concerns about the Policy should address those

concerns immediately to Alan Long in FAS Research Administration Services. Cases of non-compliance will be referred to the Dean of the FAS and may result in delays in activation of subsequent grant accounts or, in extreme cases, removal of salaries from sponsored accounts.

III. Roles & Responsibilities

A. The Principal Investigator is responsible for ensuring that the percentages of salary paid from each source of funding reflect accurately the percentages of his or her effort expended on those projects during the time period of the certification. The PI is also responsible for signing his or her effort and salary certifications in a timely fashion, typically within 60 days after the solicitation to do so is issued by FAS Research Administration Services.

B. The Head Administrator (Laboratory Director, Center Executive Director, Department Administrator, etc.) is responsible for appointing a Faculty Effort Coordinator for the department or center and for assisting FAS Research Administration Services in ensuring 100% participation by the PIs in his or her unit.

C. The Faculty Effort Coordinator in each department or research center is responsible for reviewing proposals for sponsored awards active during the certification period, pre-populating the committed effort percentages in FASERS for each active award, answering questions from faculty about their effort commitments and the certification process, and following up with faculty members who have not signed their certifications in a timely fashion.

D. The FAS Financial Office is responsible for soliciting from faculty members the projects on which faculty members will be working in the summer months and the percentages and/or amounts of summer salary to be charged to each award. The Financial Office coordinates with Research Administration Services on policy-related specifications of this solicitation.

E. FAS Research Administration Services is responsible for providing training and education on certification policies and procedures, for ensuring the integrity and accuracy of the effort commitment and salary data in FASERS, for generally overseeing the annual effort-reporting process, for ensuring that FAS Principal Investigators, Head Administrators, and Effort Coordinators follow this Policy and the external regulations mandating it, for coordinating any consequences of non-compliance with the FAS Dean's Office, and for interfacing with any auditors seeking information about this Policy.

IV. Types of Principal Investigator Certifications

A. Annual Faculty Academic Year Salary Certification

The Annual Salary Certification form in FASERS covers the months of July through June and requires that the Principal Investigator verify that the salary or salaries paid from sponsored sources are correct, that the percentages of sponsored effort calculated by the program are correct, and that the pay received reasonably reflects the work performed during the specified period.

B. Annual Fiscal Year Committed Effort Report

Unlike the annual salary certification (see above), the Fiscal Year Committed Effort Report is designed to reassure the federal government that effort committed in grant and contract proposals has actually been spent, i.e. that those effort commitments have been fulfilled. The Fiscal Year Committed Effort Report does not require a full accounting of time spent on various activities. Rather, it divides activities into three categories: I. Sponsored Activities (to meet commitments explicitly specified in grants and contracts), II. Departmental Administration, and III. All Other Harvard Activities. For Category I, FASERS calculates, from the total committed effort percentage and the total paid (from sponsored sources) effort percentage, the percentage of time spent on sponsored activities that was paid for by Harvard. For Category II, PIs estimate the percentage of their time that they spent on Departmental Administration activities. Finally, FASERS calculates a percentage for All Other Harvard Activities as (100% - Category I - Category II). Functional definitions of these three types of effort are as follows:

I. Sponsored Activity Commitments (Commitments to Organized Research and Other Sponsored Activities) are explicit and specific commitments of effort (in proposal texts, budgets, and/or budget justifications) to programs and projects supported by external sponsors or by the University that: (1) have specified objectives and/or deliverables; (2) are separately and specifically budgeted; and (3) require separate accounting and reporting. Besides sponsored Organized Research projects (which are often integrated with educational activities), investigators devote effort to such Other Sponsored Activities as conferences, institutes, forums, publications, travel, and/or the purchase of equipment. Effort includes work on projects and/or supervision of the work of others.

II. Departmental Administration includes administrative and supporting services that benefit common or joint departmental activities. For a faculty member, this includes time spent on meetings and committee work for departments, the Faculty, or the University as a whole, and time spent planning and proposing future organized research.

III. All Other Harvard Activities covers most of what most faculty members do. This category includes, but is not limited to, instruction (preparing for and teaching courses, seminars, and sections), advising students (including assisting with job placement and letters of recommendation), departmental

research (all non-instructional scholarly activities not separately budgeted and accounted for), and such professional activities as reading, reviewing, and refereeing others' research. It also includes uncommitted effort on sponsored activities (effort for which no specific commitment was made in proposal texts, budgets, or budget justifications).

V. Procedures

Each year when the data on faculty salary payments in the previous fiscal year, academic year, and summer has been loaded into FASERS (typically in the late fall or early winter), PIs are asked to log into FASERS to certify as many of the three effort and salary certifications as apply to them. Before the Fiscal Year Committed Effort Report form can be made available to PIs, Faculty Effort Coordinators are asked to review all sponsored proposals for each PI and to pre-populate the effort commitments for each project for the fiscal year to be certified. These commitments can be found in the proposal text, the budget, and/or the budget description, and ordinarily will be phrased in one of two ways: a) "I plan to spend 10% of my time on this project each year," or b) "I request one month's summer salary each year of the project." Once all the effort commitments are pre-populated by Faculty Effort Coordinators, PIs are asked to certify in FASERS that they expended at least as much effort as they committed and that any pay they received for that effort was appropriate, typically within a 60-day window following the request. Note that because of the uncertainties involved with obtaining grant and financial data from the central databases and with pre-populating the effort commitments, it is impossible to establish a fixed annual schedule for the certification process. Accordingly, a detailed plan for compliant, timely, and accurate collection of faculty certifications is developed each year, taking the schedules for data downloads and commitment pre-population into account.

VI. Contacts

If you have any questions regarding this policy, please contact the following individual in FAS Research Administration Services:

- Alan Long, Assistant Dean for Research Finances and Systems, aklong@fas.harvard.edu, 6-2491.