

## FAQ on Change in FAS Summer Salary Policy

May 28, 2008

### 1. **Why is the policy changing?**

Federal audit activity at other research institutions has prompted us to evaluate the current FAS policy of allowing faculty to charge 100% of their monthly salary to federal grants in any summer month. Audit findings highlight the fact that federal officials expect faculty to devote 100% effort to research projects during periods when they charge 100% of their salary to those projects. This interpretation leaves no opportunity for faculty to undertake non-grant activities, such as preparing research proposals, course preparation, or taking vacation. It also leaves faculty open to assertions by federal officials that grants were over-charged. A number of peer institutions, including Yale, have changed summer salary policies to limit the amount of summer salary faculty may be paid. Within Harvard, the Medical School and the School of Public Health have also implemented policies that cap the amount of salary that faculty may charge to grants in a month. The new FAS policy reduces the risk to Harvard and to our faculty without reducing the amount of annual supplemental salary faculty may request.

### 2. **How will the transition from our current policy to the new policy occur?**

Given the need to make this policy change immediately, we are focused now on developing procedures that will allow us to provide supplemental salary to our faculty for the rest of this calendar year while complying with new federal audit practices. As such, the transition begins with procedures for supplemental salary for June 2008, which will follow our existing policy for summer salary. Starting July 1, 2008, supplemental pay for the rest of the calendar year will be governed by the new policy. For this summer, faculty who request supplemental salary from sponsored sources will receive a maximum of 1.5 ninths for July and August (.75 for each month), with the excess above 1.5 ninths disbursed from September to December (see below for details). Although we will ask the faculty now to specify the number of ninths in supplemental pay that they should receive in the first and second halves of FY09, we realize that not all faculty may know now what they should be paid in supplemental salary for the second half of FY09 (i.e., January – June 2009). The last piece of the transition will be to ask

the faculty to specify again, later in 2008, the number of ninths in supplemental pay for January – June 2009.

### **3. Whom does this new policy affect?**

Most faculty are not affected by the immediate policy change. The new policy affects only faculty requesting from sponsored sources more than 1.5 ninths of supplemental salary in July and August 2008. It does not affect ninths from non-sponsored sources. Beyond the transition, the new policy affects faculty requesting from sponsored sources more than 2 ninths of supplemental salary in any fiscal year.

### **4. How will this affect my paychecks in the 2008 calendar year?**

During this transition from the old policy to the new, faculty requesting 1.5 or fewer ninths from sponsored sources for July and August 2008 will see little change -- their ninths will simply be spread across these two summer months so that no one is paid more than 0.75 ninths from sponsored sources in either month.

For faculty requesting more than 1.5 ninths from sponsored sources during July and August, the fraction of a ninth above 1.5 will be spread across the four-month period from September to December. Thus, the maximum reduction in compensation paid over the summer to any faculty member will be .5 of a ninth (with that reduction being made up, of course, over the four-month period after the summer).

In the event that this reduction in compensation paid during the summer causes hardship (perhaps because of a large bill that is due), then that should be noted on the Faculty Supplemental Compensation Form and the relevant Divisional Dean should be notified.

### **5. Doesn't payment throughout the year amount to deferred compensation?**

No. Federal regulations require that salaries charged to sponsored projects be commensurate with the work performed. Payment for effort devoted to grants and distributed throughout the year reflects faculty members' ongoing

involvement in their research. The policy is not intended to defer, or accelerate, compensation.

**6. I thought agencies such as the NSF and the Department of Energy (DOE) object to paying faculty for research activities during the academic year.**

NSF and DOE limit summer salary to two ninths and payment of NSF and DOE summer salaries will be limited to summer months.

**7. I have multiple grants. What should I do?**

Fill out the Faculty Supplemental Compensation form and list the number of ninths you are requesting from sponsored funds and from Harvard funds. Sponsored fund requests should be paid from grants for which summer/supplemental salary has been budgeted, and you should identify the account coding and the start and end dates for each grant. You will not have to specify amounts to be distributed — supplemental salary will be divided among all requested sources each month.

**8. Can't I consider the University as supporting 40 hours of effort per week, with how I spend the rest of my work-related time being up to me?**

No, faculty aren't paid based on a 40-hour workweek. They are paid to teach, perform research, and carry out other activities that support the functioning of the FAS. There is no clearly defined expectation regarding the number of hours, or amount of time, to be spent on these activities. The fact that there is no clearly defined workload for faculty makes it difficult to distinguish among the various activities faculty undertake: grant activities, Harvard (non-grant) activities, and personal time.

**9. I have a grant that expires in the upcoming year. How will that be handled?**

The request form has a space for the end date of each grant from which supplemental salary will be paid. For grants that are scheduled to expire in the upcoming year, the compensation for research effort associated with that grant will be paid out during the remaining months of the grant period. In other words,

the supplemental salary from such a grant will be paid only while the grant is active. Faculty do not have to take any special action regarding expiring grants; reporting of account numbers and end dates will be sufficient.

**10. What about grants expected to start part-way through the year?**

If external funding is expected but not yet awarded, please fill out the form, omitting the fund-activity-subactivity values and noting the anticipated start date and the requested number of ninths. The distribution of funding sources and amounts for supplemental compensation will be adjusted when the new award arrives.

**11. I have a paid leave coming that I will spend off campus. How does this new policy work with sabbatical leaves?**

Supplemental salary may be paid from federal sources in addition to sabbatical leave salary if the supplemental pay is at the faculty member's normal rate of salary and it represents effort devoted to research during the period the salary is charged to federal grants. Up to three ninths of supplemental salary may be requested for work performed on external research, even when faculty members are on sabbatical leave. However, faculty should be cautious about requesting supplemental compensation for time spent away from campus and should do this only when the commitment to the research project can be fulfilled.

**12. Do the new rules apply to summer support that comes from non-sponsored sources, such as "ninths" from the Dean and summer school teaching?**

No. If supplemental compensation will come only from Dean's ninths, payment will be in lump sums in June, July, and August, as in previous years. Faculty may use the Comments box on the request form to specify the months in which they would like to be paid. Summer school teaching is compensated in a separate process that will not be affected by the new policy.

**13. Is there a new way to apply for summer ninths? In the past, one simply alerted Michael Jackson that you wanted to use a ninth. Now there seems to be a new form and a new process. Have the mechanics changed?**

Faculty members are encouraged to use the form to request supplemental salary from any source, including Dean's ninths. However, for these straightforward requests, it is sufficient to fill out the number of ninths requested, using the Comments box to specify the months in which they are to be paid.