



Purpose:

A business process for direct charging of administrative salaries to federal awards ensures that the Harvard Chan School is in compliance with federal regulations and Harvard policy. As part of the Internal Controls required under Uniform Guidance, each school is required to review administrative salaries charged to federal awards. At the Harvard Chan School, Sponsored Programs Administration conducts this review on a quarterly basis.

Harvard/Harvard Chan School Policy:

This business process document outlines procedures for federal awards which fall under Uniform Guidance (Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR 200). The Harvard policy can be found on the OSP website at <http://osp.finance.harvard.edu/administrative-and-clerical-salaries-federal-awards>. For additional guidance and examples see [Appendix A](#).

[For awards subject to A-110 and A-21 (pre-Uniform Guidance), the following policy and procedures apply: <http://osp.finance.harvard.edu/administrative-and-clerical-salaries-federal-awards-pre-uniform-guidance>*]*

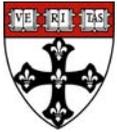
Considerations:

1. The salaries of administrative and clerical personnel are normally treated as an indirect cost unless they meet the definition of unlike purpose or circumstance* and are integral to the project.
2. The Uniform Guidance requires that direct charging of administrative and clerical salaries have prior approval from the awarding agency. If the salaries are included in the initial proposal and clearly justified as meeting the required criteria outlined in step 1 below, Harvard assumes sponsor approval if the application is funded and the cost was not specifically excluded. When this information is not included in the proposal, written approval from the sponsor must be received before the salaries may be charged to the award.
3. Charges that are not approved must be moved from the federal award to an appropriate account.

* Unlike Purpose and Circumstance – an activity or cost which is substantially greater in amount or different in purpose than the normal use. Unlike circumstances occur when personnel specifically support and are integral to achieving the scientific aims and objectives of the federally sponsored project.

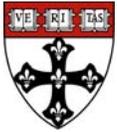
Standards of Service:

The GM (Grants Manager, or equivalent) and SRA should check for administrative salaries on federal awards when reviewing the initial proposal. If they appear on the proposal, both parties should confirm that the criteria for charging admin salaries have been met and if so, mark the GMAS flag for admin salaries and clear the approval before the proposal is submitted. If administrative salaries not included in the funded proposal are to be charged, prior sponsor approval should be requested immediately and before the expense is charged to the federal award (see Post-Award section below).



Process Steps for Administrative and Clerical Salaries on Federal Awards

Step	Role	Task/Activity
At Proposal Stage:		
1	GM	Prior to including admin salaries in a federal proposal budget, department administrator/grants manager (GM) should determine if the following criteria are met: 1. The roles/individuals involved can be specifically identified with the project/activity 2. The admin salaries are integral to the project and are required to meet scientific objectives 3. The administrative work itself is that which is not normally supported by the department, institute or center and the amount of administrative effort required to support the project is above the normal level provided.
2	GM	If above criteria are met, the GM should: 1. Include the administrative role/person in the line-item proposal budget 2. Ensure the level of effort for the role/person exceeds the normal level of administrative support. Harvard recommends a minimum of 5% effort on training grants and a minimum of 20% in all other projects to qualify as an unlike circumstance 3. Within the budget justification add a header for Administrative/Clerical Personnel. For the role/person, describe the situation requiring unlike circumstance(s), the specific duties involved, and how the normal level/type of administrative support provided by the department would not be adequate.
3	GM	Sets the GMAS admin salaries flag to Yes (when entering the GMAS request, or within Approval Attributes section of a request in process).
4	SRA	Reviews proposal to ensure the admin salaries role meets all the criteria above, and that the justification is adequately explained within the proposal.
5	SRA	Checks that GMAS Admin Salaries flag is set to Yes and that Admin Salaries Approval appears on the request.
6	SRA	Sets Admin Salaries approval status (at Submission) to 'Done;' enters Effective Date (date approved); and adds comments and/or uploads documents to note any additional details. Comments should reflect the budget narrative, name the administrative personnel, and specify how the work meets the requirement of unlike circumstance.
At Award Stage		
7	SRA	Reviews the notice of award and any related documentation <ul style="list-style-type: none"> If the sponsor has not specifically excluded the administrative salaries from the awarded budget or made any other comment regarding admin salaries, sponsor approval is inferred.
8	SRA	If sponsor approves admin salaries per above, SRA sets Admin Salaries approval status (at Award) to 'Done;' enters Effective Date (date approved or date notice rec'd); and adds comments and/or uploads documents to note any additional details.
9	SRA	If sponsor does NOT approve admin salaries, SRA: 1. Changes the segment's Approval Attributes flag to No for Admin Salaries 2. Notifies GM/dept. that the admin salary charges are unallowable. 3. Uploads documentation that the admin salaries were not approved by the sponsor to the Segment Documents (naming file "Admin_salaries_not_allowed").
At Post-Award Stage		
10	GM	1. Notifies SRA there is a request to add administrative salary to an existing project 2. Provides the appropriate documentation and justification that the criteria to directly charge admin salary (in step 1 above) are met 3. Includes the documentation that will be sent to the agency as a request for the



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		additional administrative salary as a direct cost.
11	SRA	Reviews documentation and confirms that the role adheres to criteria for directly charging admin salaries. <ul style="list-style-type: none">• If criteria are not met, asks GM to remove charges from award.• If criteria are met, prepares request for submission to sponsor and sends to AD/signatory for submission.
12	AD	Submits request to sponsor, with copies to PI, GM and SRA.
13	GM	If sponsor does not approve the salary charges, removes charges from award.
14	SRA	If charges have been approved by the sponsor, sets Admin salaries flag to Yes in GMAS (if currently set to No) and marks approval as 'Done' (at Award) per step 8 above. Uploads sponsor approval to Documents for GMAS Admin salaries approval.



This **optional** checklist accompanies the [Guidelines for Direct Charging of Administrative Salaries to Federal Awards](#) and may be used **as an aid** to ensure the appropriateness of salary charges.

1. Consider if the project meets any of the criteria to support administrative salaries:

- Large, complex program such as a center or program project
- Entails assembling and managing teams of investigators from a number of institutions
- Involves extensive administrative support for data accumulation, analysis and entry, surveying, tabulation, cataloging, searching literature, and reporting (such as epidemiological studies, clinical trials, and retrospective clinical records studies)
- Requires making travel and meeting arrangements for large numbers of participants, such as conferences and seminars
- The principal focus is the preparation and production of manuals and large reports, books and monographs (excluding routine progress and technical reports)
- Is geographically inaccessible to normal departmental administrative services, such as research field sites that are remote from campus
- Requires extensive project-specific database management; extensive individualized graphics or manuscript preparation; extensive human or animal protocols
- Is a training grant

2. When entering the administrative personnel in the proposal:

- Ensure the staff member is included on the detailed proposal budget or in the budget justification for modular budget applications
- Explain in the justification how the project warrants that level of support to be directly charged to the grant rather than as indirect costs and explain how “unlike circumstances” are present
- Demonstrate that the level of support is greater than normal by requesting an appropriate amount of effort. A minimum of 20-25% is recommended for most projects, 5% for training grants
- Thoroughly describe how the administrative support requested in the justification is required to meet the scientific objectives of the award
- In GMAS, answer “Yes” to the question “Are administrative salary costs included in the budget?”
- Be prepared for a discussion with your signatory about the presence of administrative salary, and to revise the justification, if needed

3. Post Award Administration:

- If the sponsor has denied direct charging of the staff member to the budget SPA should document this information in GMAS in the approvals comments box. The department must remove any expenses that may have already been posted.
- In order for administrative salaries to be added to the budget during the course of an award, it must first be reviewed and approved by SPA.