Sponsored Effort Management Policy – DRAFT (12 May 2016)

Policy Summary

Personnel on sponsored projects will provide a reasonable estimate of the effort required to complete the project tasks as part of the research proposal, and are expected to meet these effort commitments once the project is underway. Commitments will be periodically reviewed and adjusted, along with the corresponding effort, to meet the needs of the project. This policy applies to Harvard T.H Chan School of Public Health appointees who are or intend to be Principal Investigators (PI) on sponsored projects.

Reason for the Policy

Institutions receiving sponsored funds have a fiduciary obligation to ensure effort commitments on sponsored project comply with sponsors’ terms and conditions and constitute a good faith representation of the time, personnel and funds required to complete the project. The Code of Federal Regulations (CFR), in the Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards, at 2 CFR 200.430: Compensation, contains the federal regulatory requirements for effort management.

Financial penalties, expenditure disallowances, and harm to the University's reputation may result from an inadequate effort management and reporting methodology or from failure to comply with effort-related policies and requirements. In addition, an individual’s failure to comply with applicable policies and requirements may constitute a violation of university or school policy, and/or federal or state law. Violators may also be subject to sanctions, including administrative, civil and criminal investigation and prosecution, under applicable laws and regulations. Personnel are strongly advised to consult officials listed in the Contacts section below for guidance regarding policy requirements.

Policy Specifics

Institutional Base Salary

For institutions of higher education (IHE), the federal government uses the concept of Institutional Base Salary (IBS) as the basis for determining how a researcher’s effort is apportioned, and what salary is represented on sponsored proposals. In 2 CFR 200.430(h)(2):

IBS is defined as the annual compensation paid by an IHE for an individual's appointment, whether that individual's time is spent on research, instruction, administration, or other activities. IBS excludes any income that an individual earns outside of duties performed for the IHE.

At the Harvard Chan School, IBS includes supplemental salary for chairs, deans and directors of programs, as well as salary earned from other Harvard schools (charged to object codes 6010 – 6040). However, bonuses and other one-time payments, including Executive Education (ECPE) engagements, are not included in the IBS. Please refer to the faculty offer letter for specifics on individual faculty.

Salary exceeding the federal cap

Federal regulations require that expenses associated with sponsored projects should “identify adequately the source and application of funds for federally-funded activities.” (2 CFR 200.302) For researchers whose IBS exceeds the National Institutes of Health (NIH) salary limitation, salary not charged directly to the federal award must be
contained in its own account, clearly labeled, unless otherwise approved by those in the Contacts section of this policy. The “companion account” convention has been established for this purpose.

**Reserved time for non-sponsored activities**

The school recognizes that researchers do more than just research during their daily routines. Our academic appointees may be engaged in a wide variety of non-sponsored activities that should not be allocated to sponsored accounts unless deemed allowable in the sponsor’s terms and conditions.

- **Grant proposal writing** - all senior and junior faculty, and research scientists must reserve 5% effort to proposal writing. Research associates who intend to submit proposals as PI must request a reallocation of effort to accommodate this requirement if they are fully allocated to sponsored projects.
- **Institutional service** – all senior and junior faculty must reserve 5% effort to institutional service, which includes committees and other school obligations.
- **Teaching** – each 2.5-credit-hour course is compensated at an 8.5% effort commitment. Co-teaching arrangements and courses with lower credit-hours should reduce effort accordingly.
- **Chairs** – department chairs must reserve a minimum of 20% effort for chair duties. Administrative supplements will be assigned a percentage of effort equal to its percentage of the chair’s IBS. The remainder of the effort should be allocated to available non-sponsored funds.
- **Directors of programs and centers** – directors must reserve a minimum amount of effort equal to the administrative supplement’s percentage of IBS.

Those with none of the commitments above are allowable at 100% sponsored effort.

**Minimum effort allocated to a project**

Measurable effort is required for a principal investigator on sponsored projects, in proportion to the duties listed in the budget justification. In addition to scientific effort, Principal Investigators are expected to engage in writing sponsor-required reports, project oversight including supervision of project personnel, review of charges and invoices, and reviewing expenses, subcontracts and effort with grant managers on a monthly basis. PIs of subawards have the same obligations as those of prime awards.

Given these responsibilities, the minimum level of effort for a PI allocated to an individual sponsored project shall be 3% (0.36 calendar months).

Including researchers on a project for name recognition is discouraged, as it may precipitate audit conditions that place the school and researcher at risk.

**Making and keeping responsible commitments on sponsored projects**

An effort commitment represents the sponsor’s understanding of the amount of time the researcher will need to devote to get the project aims accomplished. When making commitments on federal proposals, researchers should keep in mind that the government is explicit in their expectation that the commitment be a reasonable estimate:

> The applicant organization is responsible for verifying its eligibility and the accuracy, validity, and conformity with the most current institutional guidelines of all the administrative, fiscal, and scientific information in the application, including the Facilities and Administrative rate. Deliberate withholding, falsification, or misrepresentation of information could result in administrative actions, such as withdrawal of an application, suspension and/or termination of an award, debarment of individuals, as well as possible criminal and/or civil penalties. The signer further certifies that the applicant organization will be accountable both for the appropriate use of any funds awarded and for the performance of the grant-supported project or activities resulting from this application. The grantee institution may be liable for the reimbursement of funds associated with any inappropriate or fraudulent conduct of the project activity.

The Principal Investigator’s signature on the proposal in GMAS represents their concurrence with this language. Although upon award only those named on the award document are subject to prior approval for a 25% or greater reduction in effort, all researchers and grant manager should keep in mind the certification language above before making substantive changes in effort.
Non-federal funds may or may not have sponsor-specific guidelines regarding effort commitment; however care should be taken to treat commitments with the same respect and stewardship afforded federal awards.

Related documents and links

- [Harvard Effort Reporting Policy](#)
- [Harvard Cost Sharing Policy](#)
- [Harvard T.H. Chan School of Public Health Outside Activities Policy](#)
- [Harvard T.H. Chan School of Public Health Effort Management Procedures – to be posted](#)
- [Over the Cap Salary Job Aid – to be posted](#)
- [Budget Justification Job Aid – to be posted](#)

Contacts

- Kristie Froman, Associate Director of Research Operations, [kfroman@hsph.harvard.edu](mailto:kfroman@hsph.harvard.edu); 617-432-8141
- Judy Lo, Assistant Director of Cost Analysis and Compliance, [jlo@hsph.harvard.edu](mailto:jlo@hsph.harvard.edu), 617-432-8147

Revision history

- New policy created 11/21/16