

Date: February 20, 2008

To: All Arts and Science Faculty

From: Richard McCarty, Dean

Subject: Effort declaration and certification and payment of summer salary from grants

Over the past few years, significant audit findings have been reported against several leading research universities that have resulted in multi-million dollar settlements with the federal government. Vanderbilt's leadership is determined that we will do more to address the core issues of inaccurate distribution of effort across funding sources; supplemental pay; vacation pay during the summer months; and time spent, particularly during the summer months, on grant proposal writing. Our goal is to ensure that, going forward, Vanderbilt is fully compliant with federal regulations on effort declaration and certification. Toward that end, the University has developed the policies described below on accounting for our efforts in the classroom, laboratories, administrative work, and over the summer months. These policies apply in all schools of the University.

1. The effort report must include *all* activities in which a faculty member engages as part of his or her work for the university. This is required in particular for, but is not limited to, significant and continuing administrative duties, such as those associated with the positions of department chair, program director, and center or institute director; such duties must be reflected in an individual's effort report for the summer months and for the nine-month academic year.
2. Faculty members, or other individuals, with significant administrative responsibilities are not permitted to charge 100% of their salaries to federal grants or contracts in any month in which those responsibilities occupy a non-trivial percentage of their total effort (*i.e.*, at least 2.5% for the sum of such activities in any given month). The percentage salary charged to the grant or contract must be an accurate reflection of the effort allocated to the work funded by that grant or contract, taking into account all other institutional responsibilities.
3. Faculty members on nine-month appointments in University Central (including the College of Arts and Science) may not use funds from federal grants or contracts to pay for time spent on vacations. In any given month during the period between the spring and fall semesters of the same calendar year (*i.e.*, currently during the months of June, July and August), a faculty member in University Central may be compensated from federal sources only in direct proportion to the percentage of institutional effort expended in a typical month.

- a. *The general rule covering maximum summer support is as follows: in any given summer, a faculty member on a nine-month appointment may charge to federal grants or contracts a total of no more than 85% of three months salary, distributed appropriately. This leaves the equivalent of two summer weeks for vacation and/or other activities (2 weeks is approximately 15% of 3 summer months). As an example, one might charge 100% of salary (in return for 100% effort) to grants during each of two summer months and 55% of salary (in return for 55% effort) in the third month ($2.55/3.0=0.85$), leaving two weeks in that month for non-grant-related activities.*
 - b. Exceptions to the above-stated general rule on maximum summer support may be granted as follows. A faculty member on a nine-month appointment in University Central may charge three full months of salary (*i.e.*, 100% of summer salary) to federal sources *only* with written permission (annually) from the Dean of Arts and Science. To receive permission, a faculty member must certify annually to the dean, in writing, that she/he will take no vacation and will devote the proper level of institutional effort only to the appropriate grant-or-contract-supported work during all three summer months. A form for this certification is available on the College of Arts and Science webpage under the “For Faculty” tab. If you have any questions about this policy, please contact Associate Dean George Sweeney or me.
4. In nearly all circumstances, federal regulations prohibit using federal funds to compensate individuals for time spent writing grant proposals. This applies to all employees, including faculty members, postdoctoral fellows, research associates and research staff. This prohibition also applies to graduate students, generally, but it does not apply to postdoctoral fellows and graduate students supported by federal training-grant stipends that require no specific service in return for that support. Because we must comply with federal regulations, our institutional policy must be consistent with those federal regulations. Implementing this policy will require special care during the summer months, when many in our community expect to be paid from federal sources. Except in the most unusual circumstances, I expect that grant proposals will be written during the academic year when the University is providing significant compensation for effort. For exceptions to this general rule, please consult with Associate Dean Sweeney or me.

I trust that you will take these policies to heart and make sure that all of your staff people processing payroll forms and time sheets are also aware of them. Associate Provosts Dennis Hall and Tim McNamara are scheduled to appear at the Arts and Science faculty meeting on Tuesday, March 25, 2008 at 4:10PM in Wilson 103 to answer any questions you may have about the implementation of these policies.

Thank you for your cooperation on these very important issues.

cc: Associate Vice-Chancellor John McDaniel
Associate Provost Tim McNamara
Associate Provost Dennis G. Hall
Associate Dean George Sweeney