

HARVARD UNIVERSITY



OSP Glossary

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The OSP Glossary is organized alphabetically by topic and then alphabetically by term. Please use Ctrl + F to search for terms within the document.

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Allowability

Administrative and Clerical Salaries

Salaries for non-technical supporting services that generally benefit departmental, institute, or center activities or objectives, including functions such as clerical support, financial management, procurement of materials and services, budget and planning, and personnel management.

Administrative and clerical salaries should be included as direct cost on federal awards only when they meet the following criteria: Administrative or clerical services are integral to a project or activity; An individual or specific role can be specifically identified with the project or activity; and Such costs are explicitly included in the budget or have the prior written approval of the federal awarding agency. See Policy on Administrative and Clerical Salaries on Federal Awards for more information.

See [Administrative and Clerical Salaries on Federal Awards](#).

Administrative Salary

Salaries for non-technical supporting services that generally benefit departmental, institute, or center activities or objectives, including functions such as clerical support, financial management, procurement of materials and services, budget and planning, and personnel management. Administrative salaries should be included as direct cost on federal awards only when they meet the following criteria: Administrative or clerical services are integral to a project or activity; An individual or specific role can be specifically identified with the project or activity; and Such costs are explicitly included in the budget or have the prior written approval of the federal awarding agency. See Policy on Administrative and Clerical Salaries on Federal Awards for more information.

Allowability

One of the four basic cost principles that must be met in deciding whether a particular expenditure is appropriate as a direct or indirect cost to a federal award, as defined in 2 CFR §200, Uniform Guidance.

In order to determine if a charge is allowable, both federal regulations and the terms of a specific award must allow for the purchase of such an item or service. Allowable direct charges to sponsored (federal and non-federal) awards must comply with both Harvard policies and the terms/conditions of the award.

Computing Devices

Machines used to acquire, store, analyze, process, and publish data and other information electronically. Computing devices less than \$5,000 are generally considered supplies and can therefore be directly charged to a federal award as long as they are essential and allocable to the performance of a federal award. Computing devices \$5,000 or over are considered to be equipment -- see Equipment (2 CFR §200.439)

Consistency

One of the four basic cost principles that must be met in deciding whether a particular expenditure is appropriate as a direct cost to a federal award, as defined in 2 CFR §200, Uniform Guidance. Costs incurred for the same purpose and in like circumstances must be treated uniformly either as direct costs or as indirect (facilities and administrative or F&A) costs. For example, since certain costs, such as administrative salaries and office supplies, are normally treated as F&A costs, these costs cannot be charged directly to federal awards unless the circumstances of an award are clearly different from the normal operations of department/unit.

Disallowed Costs

Charges to a Federal award that the Federal awarding agency or pass-through entity determines to be unallowable, in accordance with the applicable Federal statutes, regulations, and/or the terms and conditions of the Federal award. (2 CFR §200.31). Non-federal awards may have disallowed costs if the sponsored determines the costs are unallowable based on sponsor policies or the terms and conditions of the award. Charges may also be disallowed based on institutional policies.

Improper Payment

Any payment that should not have been made or that was made in an incorrect amount (including overpayments and underpayments). (2 CFR §200.53)

Project Cost

The total allowable costs incurred under a Federal award and all required cost sharing and voluntary committed cost sharing, including third-party contributions. (2 CFR §200.83)

Reasonableness

One of the four basic cost principles that must be met in deciding whether a particular expenditure is appropriate as a direct cost to a federal award, as defined in 2 CFR §200, Uniform Guidance. The cost on the award reflects what a “prudent person” would pay in a similar circumstance

Severance

Compensation, in addition to regular salary and wages, which is paid by an institution to employees whose services are being terminated. Costs of severance pay are allowable only to the extent that such payments are required by law, by employer-employee agreement, by established policy that constitutes in effect an implied agreement on the institution's part, or by circumstances of the particular employment.

Supplies

All tangible materials/consumables other than those described in §200.33 Equipment. A computing device is considered a supply if the acquisition cost is less than the lowest of the following thresholds: the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000, regardless of the length of its useful life. See also §§200.20 Computing devices

Unlike Circumstances

The government requires that costs incurred for the same purposes be consistently charged either as direct costs or as indirect costs. To allow a charge normally included as indirect costs as a direct cost,

there must be a purpose that is outside the normal circumstances of that cost. Costs (such as administrative salaries) that are normally charged indirectly must be incurred for reasons and in circumstances that are substantially different from most sponsored awards in order to be charged directly to a grant and should be documented. (CAS 502)

At-Risk

Advance Account (At-Risk Account)

A 33-digit project account in GMAS that allows the PI to initiate spending on a sponsored fund before the University receives and/or accepts an award. Such expenditures incurred are made at the department's risk and require departmental sign-off and a back-up departmental account string in the event that the project is not funded.

At-Risk Account

A fully activated account string that is directly tied to a sponsored project prior to award acceptance by the President and Fellows of Harvard College. All expenses must be appropriate for the sponsored project under the at-risk account. If the formally recognized award start date is after the incurred date of any expense, the administrator needs to examine whether pre-award costs are allowed. If so, the administrator may request pre-award spending as a separate request through GMAS. At-Risk Accounts are subject to all the same costing, project specific institutional approvals and compliance policies governing an active account string.

See [At-Risk Account Guidance](#).

Owning Org

Each account string contains a segment to designate an org. This is used to identify the specific financial group within a department, center, or school. In this guidance, an At-Risk Account requires specific identification of 1) the planned financial group who will oversee the expenses for the award, or portion of the award, in the case of a part-of account and 2) the liability for all expenses placed on that specific

account string with their org if the award is not accepted. Owning org is the specific identification who will oversee and assume liability for all expenses placed on that account string.

See [At-Risk Account Guidance](#).

Audits

Audit Finding

The result of an audit engagement that identifies audit evidence as not complying with policies or regulations and is deemed significant enough to mention in an auditor's report.

Corrective Action Plan

Set of written actions to correct an issue, a problem, or lack of internal control that is developed to prevent the event from re-occurring

See [Cost Transfer Policy](#).

Federal Audit Clearinghouse (FAC)

Division of the Office of Management and Budget (OMB) that collects information on Single Audit (formerly A-133) results.

See [Subrecipient Monitoring Policy](#).

Internal Controls

Set of mechanisms, rules, and procedures implemented by entities to streamline its processes, ensure the integrity of financial and accounting information, promote accountability, and prevent fraud, theft, and waste. Internal controls provide reasonable assurance that entities are managing sponsored awards in compliance with sponsor policies, regulations, and terms and conditions.

Management Decision

A written decision received from the awarding agency listing all required corrective actions the auditee (HU) needs to undertake in order to address the audit findings.

Misconduct

A fabrication, falsification, or plagiarism in proposing, performing, or reviewing research, or in reporting research results. At Harvard, responsibility for establishing and implementing research misconduct policies and procedures rests with each of the Schools.

Oversight Agency for Audit

Oversight agency for audit means the Federal awarding agency that provides the predominant amount of funding directly to a non-Federal entity not assigned a cognizant agency for audit.

Questioned Cost

Questioned costs are expenses identified in an audit finding as not allowable to be charged to an award and that must be reimbursed to the sponsor or federal agency.

Questioned costs occur:

- When costs resulted from a violation or possible violation of sponsor policy, regulation, or the terms and conditions of an award, including for funds used to match funds;
- Where the costs, at the time of the audit, are not supported by adequate documentation; or
- Where the costs incurred appear unreasonable and do not reflect the actions a prudent person would be expected to take in the circumstances.
- When costs incurred are not allocated in alignment with the relative benefit of the project.

Award Notice and Award Management

Budget Period

The interval(s) of time by which a project is divided for funding and reporting purposes, typically annualized into 12-month periods.

Carryforward

The permission granted by a sponsor to a grantee to move funds associated with a previous year's unobligated balance from that year to a subsequent year. Carryforward may either be automatic or require prior approval, and process and requirements vary by sponsor. Carryforward requests may sometimes apply across non-sequential budget periods or cross segments. Please note this definition is specific to Harvard and sponsors may use the terms carryover and carryforward interchangeably.

Competing Renewal

A funding request made to a sponsor for funding that builds upon and/or extends a previous project but remains subject to a new review and approval process. If the competing renewal is awarded, there is usually a new period of performance and level of funding. Normally, this generates a new segment and fund number in GMAS associated with the existing project.

Continuation (aka Non-competing Continuation)

A GMAS request or proposal type submitted to request funds for subsequent budget periods in a multiyear project.

Continuation Grant

The funds awarded for budget periods following the initial budget period of a multi-year grant or cooperative agreement.

Expanded Authorities

The permission given to awardees by many federal agencies to approve certain types of changes to awards without obtaining prior authorization from the sponsor. Such changes may include pre-award spending, no-cost extensions, and rebudgeting of restricted expense classes such as equipment within a certain percentage threshold. Internal approval of most actions under expanded authorities is handled through GMAS

Federal Award Date

The date when a federal award is signed by the authorized official of the awarding agency.

Fully Executed

A finalized contract or agreement that has been executed by all parties from which a signature is required. Typically, OSP will not establish an account until the fully executed agreement has been received.

Negotiation

As the authorized signatory for the institution, a negotiator may need to revise terms to be acceptable to the institution, as well as protect the PI. When successful, a negotiation allows all parties to retain what each needs in order to reach an executed agreement. However, if one party does not remove or revise language that another party cannot accept, a negotiation may stall or ultimately become unsuccessful. Negotiators work at the central level in each university area to provide this service.

See [At-Risk Account Guidance](#).

No-cost Extension

An extension of the period of performance of an award with no additional sponsor funding.

Notice of Grant Award (NOGA)/Notice of Award (NOA)

The legally binding document that serves as a notification to the recipient and others that a grant or cooperative agreement has been made. It contains or references all terms of the award and documents the obligation of funds.

Obligated Amounts

The funds authorized by the sponsor for use on the project within a particular period of time.

Peer Review

The process adopted by sponsors to gather feedback from scientific experts of proposed projects. The objective of peer review is to evaluate and rate the scientific and technical merit of research, career development, or research training grant applications and contract proposals.

Period of Performance

The time period during which the proposed work will be completed and the funds awarded are available for expenditure by the recipient.

See [Program Income Guidance](#).

Pre-award Spending

The potential time period that occurs prior to the formally recognized award start date in which costs incurred prior to the project period start date may be allowable. The terms of the award should be consulted to see if pre-award spending is allowed and any restrictions (time frame, etc.) that may be in effect.

See [At-Risk Account Guidance](#).

Prime Sponsor

The original funding entity of a project for which Harvard has received a portion of funding via a subagreement.

Program Income

Income earned by an award recipient that is directly generated by an award activity during the period of performance. If the sponsor does not specify how to treat program income generated on an award, the income may be added to the award amount and must be used for the purposes and under the conditions of the award. Program income does not include income earned from license fees and royalties for copyrighted material, patents, trademarks, and inventions.

Request for Information (RFI)

A standard business process whose purpose is to collect written information about the capabilities of various suppliers. In the context of grants, RFIs typically serve as a type of funding opportunity announcement or request for proposals.

Request for Proposals (RFP)

An invitation from sponsors to submit a proposal for funding. Such announcements may be broad in nature (R01 “parent” announcements at NIH, or Broad Agency Announcements through the Department of Defense, for example) or targeted to specific programs, initiatives, or fields.

Sponsor

The agency or entity from which project funding is received.

Termination

The ending of an award, in whole or in part, at any time prior to the anticipated end of the period of performance.

Award Type

Award

The legal instrument between a federal or non-federal sponsor and the award recipient that sets forth the terms and conditions associated with the funding of a project.

Clinical Trial

A contract to test drugs, devices, or other interventions for Food and Drug Administration (“FDA”) approval. Most Clinical Trials are focused on generating safety and efficacy data for use in an FDA approval process. Clinical trials usually involve the use of human or animal subjects.

Contract

Refers to an Award governing the conduct of research by the award recipient, as well as to the legal instrument used by an awardee to procure property or services needed to carry out the project or program under an Award.

Cooperative Agreement

An award mechanism used when a project necessitates substantial programmatic involvement between a sponsor agency and the awardee carrying out the sponsored activity.

Federal Financial Assistance

Funding provided by the Federal government that non-Federal entities receive or administer in the form of grants, cooperative agreements, non-cash contributions or donations of property, direct appropriations, and other financial assistance.

Fellowship

Usually a short-term opportunity to support an individual in the pursuit of their professional development, personal learning, or scholarship. Fellowship payments often represent payment for

living, travel, or research expenses and are not considered wages and do not create an employer-employee relationship.

Fixed Amount (Fixed Price) Awards

Type of agreement wherein the recipient is awarded a specific, pre-determined amount of funding without regard to actual costs incurred under the award. Unlike cost-reimbursable awards, fixed price grants and contracts may be paid in a lump sum at the beginning of the period of performance, or in installments based on certain award milestones. Fixed amount awards are common when the work that is to be performed can be priced with a reasonable degree of certainty. Typically, funds remaining after a fixed price award has ended may be moved into discretionary or close-out accounts for use by the PI.

Flowdown

The specific terms of the prime award that must be incorporated into subaward agreements and documents when established.

Gift

A donation that carries no reciprocal obligations between donor and recipient and is unrelated (or only indirectly related) to the business interests or mission of the donor. Projects supported by gift funds are typically much broader in scope, budget, and period of work than sponsored research. Gifts can be a general unrestricted donation to the University or a faculty member, or a restricted donation whose uses may be limited to an academic area or to a defined group of University activities or faculty.

Grant Agreement

The legal instrument establishing financial assistance between an awarding agency or pass-through entity and a recipient entity. The agreement typically contains all terms of the award and use of funds, establishes reporting requirements, and may outline anticipated project outcomes.

Memorandum of Understanding (MOU)

An agreement between interested parties establishing their respective responsibilities and intentions regarding a project.

Modular Grant

A type of simplified budget in an NIH grant application in which funds are requested in increments (“modules”) of \$25,000 and no detailed categorical breakdown is required. This simplified budget may be used for grants requesting \$250,000 or less in total direct costs per budget year.

Non-Federal Awards (NE) / Non-Federal Sponsored Grants (NG)

Funds differ based on several factors including the sponsored award terms and conditions, scope of work, value exchange, and cost/budget information. (see Determining Award Type for Non-Federal External Funding: RG, NG, or NE?)

See [Interest Income Paid on Non-Federal Sponsored Funds](#).

Proprietary Research

Research sponsored by a non-governmental entity or individual that involves restrictions on the distribution or publication of the research findings or results. These restrictions can last for a specified period (such as to enable intellectual property protection and commercialization) or exist for an indefinite duration.

Purchase Order (PO)

A form representing an authorized request for the purchase of goods or services from a vendor. In many procurement systems, a PO is synonymous with an approved requisition. For record keeping purposes, invoices from vendors correlate with POs using the PO number, typically supplied to vendors when orders are placed.

Requisition

A form used in procurement systems to enumerate and provide details on items to be included in a purchase request or purchase order.

Restricted Gift

This category includes gifts made by a donor who instructs the University as to the use of the funds in a specific academic area or for specific academic purposes. Gift terms for restricted gifts may specify particular activities and budgets for those activities; but usually do not specify how the funding must be spent or administered, and allow funding to be utilized at the full discretion of the recipient, although respecting the overall gift purposes. Financial reporting requested by donors of restricted gifts is normally in the aggregate, although detailed reports are sometimes requested; in both cases this reporting is solely intended to assure proper gift stewardship. Unexpended funds are not returned to the donor at the expiration of the restricted gift period. All restricted gifts are processed by ADS, but they may also be recorded by OSP if there is a need for detailed financial reporting.

See [Gift vs. Sponsored Research Policy](#).

Sponsored Award

Funding arrangement in which the University is providing a return benefit to, or agrees to provide a defined deliverable or complete a set of activities for, the sponsor in exchange for the funds; regardless of whether the funding instrument is designated a contract, cooperative agreement, grant, consortium agreement, or otherwise.

See [Foreign Awards Paid in Foreign Currency Guidance](#).

See [Program Income Guidance](#).

See [Subrecipient Monitoring Policy](#).

Alternate Definition

This category includes all funding arrangements in which the University is providing a return benefit to, or agrees to provide a defined deliverable or complete a set of activities for, the sponsor in exchange for the funds; regardless of whether the funding instrument is designated a contract, cooperative agreement, grant, consortium agreement, or otherwise. This category includes all contract or sponsored "grant" funding by foreign entities or international organizations (Note 4), whether pursuant to a contract or sponsored "grant." This category also includes all subcontracts and subgrants, whether from federal or nonfederal sources. Non-federal Awards are processed only by the submitting office(s). Sponsored program awards most often support research activities, but in some cases, may be provided for non-research, demonstration, or service projects.

See [Gift vs. Sponsored Research Policy](#).

Student Financial Aid (SFA)

SFA includes federal awards under programs of general student assistance administered by the U.S. Department of Education, as well as similar programs provided by other Federal agencies. It does not include Federal awards under programs that provide fellowships or similar Federal awards to students.

Cash

Advance Payment

Amounts paid by the sponsor to the award recipient before a good or service is received. The terms and conditions of an award outline the payment mechanism, payment schedule, and any requirements related to the payment request, such as an invoice.

Letter of Credit (LOC)

A payment mechanism that allows the award recipient to request a wire transfer of cash to cover immediate disbursement needs (e.g., costs incurred) of the research project supported by that sponsor. LOC is most commonly used by federal agencies as the payment method of grants.

Chart of Accounts and Account Setup

Account

For effort reporting purposes, an account is the unique combination of a fund, activity and subactivity as set up in GMAS and charged in the general ledger.

See [Effort Reporting Policy](#).

Account

The unique combination of a fund, activity and subactivity set up in GMAS and charged against in the general ledger. Sponsored accounts are designated as either a Main, Part-of, or Subagreement depending on the relationship the account has to the overall project.

Account Group

Numeric identifier that groups accounts (fund/activity/subactivity) together for financial reporting purposes. A new account group is created for each budget year when year logic is used. The subactivities (i.e., main, part of, and subcontract) are reported in aggregate by account group.

See [Cost Transfer Policy](#).

Account Group

A 2-digit identifier assigned in GMAS to a sponsored account that can be used to group multiple accounts together based on funding obligations. Multiple Account Groups are typically used to segregate funding based on carryforward restrictions or to enable annualized financial reporting by clustering multiple accounts under a single Account Group. The scheduling of financial deliverables (Info Management) is based on the Account Group. Accounts groups can be found on the Accounts page in GMAS.

Activity

Six-digit chart value and required segment of the sponsored account string that captures the purpose or use of funds.

See [Cost Transfer Policy](#).

Chart of Accounts (CoA)

Harvard's 33-digit accounting code comprised of 7 Segments (Tub, Org, Object, Fund, Activity, Subactivity, and Root) that records every financial transaction in the General Ledger and identifies both the originating source and appropriate allocation of the transaction. Chart of Account codes are used as Harvard's organizing framework for accounting, budgeting, recording, and financial reporting.

Fund

A 6-digit value in the chart of accounts that represents the source of funding. For sponsored awards there are three fund ranges: Federal (FG range: 100000-199999), Non-Federal Exchange (NE range: 200000-249999), and Non-Federal Grants (FG range: 250000-299999). The fund value is designated as part of the account setup process in GMAS.

Federal Funds

In Harvard's chart of accounts, funds starting with 1 are federal funds.

See [Federal Work Study on Sponsored Awards Policy](#).

Invalid Sponsored Code Combination

A transaction in the general ledger for which the fund-activity-subactivity combination does not exist in GMAS. These transactions can be identified on the GMAS "Dates and Dollars" screen or by running a HART Invalid Code Combination report. The timely correction of these transactions is important since these transactions do not appear on the GMAS financial screens and are excluded from invoicing and

reporting. The DLLMU's are responsible for identifying and correcting ICCs and for funding any ICCs that cannot be covered by the sponsor.

Part-of Accounts

An account type in GMAS that can be set up if more than one account is needed to manage an award or to reflect interfaculty collaborations across departments or schools. Part-of accounts assist with managing an award's discrete tasks, restrictions, financial information, and reporting.

Segment

Method of designating and associating projects in GMAS with distinct periods of time, amounts of funding, and scopes of work; often a new segment is indicated by peer review submission (competing renewals). For example, a NIH project often has "Segment 1" for years 1-5 and "Segment 2" for years 6-10. Every project has one or more segments and all segments within a project share the same sponsor, PI, and Tub/Org. Each Segment has a unique fund value. The initial segment is created via an initial request in GMAS, and subsequent segments will be created via competing renewal requests.

Sponsored Account

A sponsored account is the unique combination of a fund, activity and subactivity as set up in GMAS used to process transactions of a sponsored award in the Harvard General Ledger. Typically, there are three types of sponsored accounts: a main account, a part-of account, and a subcontract account.

See [Cost Transfer Policy](#).

Subactivity

A subactivity is a 4-digit value within Harvard's Chart of Accounts that helps to identify tasks, phases, years, or sub-categories within an activity of an award. A subactivity is required for sponsored awards and allows an award to be broken down by tasks and/or grant years.

See [Cost Transfer Policy](#).

Task Logic Account

A subactivity structure within GMAS to assist with the management and reporting requirements of an award. Most commonly used to manage awards with automatic carryforward of unspent funds and/or where financial reports can be reported cumulatively throughout the project. Task logic is a construct within GMAS where a subactivity or subactivities are associated with a single Account Group. Task logic subactivities will appear with “00” as the first two digits of the 4-digit subactivity value (e.g., 0001, 0002).

Year Logic Account

A subactivity structure within GMAS to assist with the management and reporting requirements of an award. Most commonly used to manage awards where the sponsor has carryforward restrictions that require prior approval or when financial reporting must be annualized. Year logic is a construct within GMAS where multiple Account Groups are set up, with each Account Group having different subactivities. The first two digits of a year logic subactivity identify the “year” of the award (e.g., 0101 for YR01 and 0201 for YR02).

Year Logic Account

In the Harvard Chart of Accounts, an account setup logic used when a sponsor does not allow automatic carryforward/over of funds from one budgeted period to the next. With this logic, new account groups (which require new main accounts, part-of accounts, and subagreement accounts) are created each year. Subactivities are reported in aggregate by account group. (Chart of Accounts definition)

See [At-Risk Account Guidance](#).

Cost Allocation

Allocability

One of the basic conditions that must be met when determining if a particular cost of a good or service is appropriate and assignable to an award or cost objective in accordance with relative benefits

received. A cost is allocable if it is assignable or chargeable to one or more cost objectives on the basis of relative benefits received or other equitable relationship. Subject to the foregoing, a cost is allocable to a sponsored project if it:

- a) Is incurred specifically for the contract;
- b) Benefits both the contract and other work, and can be distributed to them in reasonable proportion to the benefits received; or
- c) Is necessary to the overall operation of the business, although a direct relationship to any particular cost objective cannot be shown.

Allocation

The process of assigning a cost, or a group of costs, to one or more cost objective(s) in reasonable proportion to the benefit provided or other equitable relationship. The process may entail assigning a cost(s) directly to a final cost objective or through one or more intermediate cost objectives.

Allocation Methodology

The reasoned basis used to approximate the proportional benefit to benefiting activities when the relative benefit cannot be easily determined. Allocation methodologies are used in allocations to support the assignment of costs.

See [Sponsored Cost Allocation Methodology Guidance](#).

Cost Allocation Plan

The reasoned basis of distributing to multiple activities, direct costs that benefit more than one activity. The plan assigns the approximate proportional benefit to specific projects when the relative benefit cannot be easily determined.

See [Sponsored Cost Allocation Methodology Guidance](#).

Cost Basis

The units that represent the approximation of relative benefit over which the costs are allocated. The cost basis is part of the allocation methodology used in the allocation.

See [Sponsored Cost Allocation Methodology Guidance](#).

Routine Reallocation of Costs

Reallocation of certain costs allowed for initial distribution of shared service or service charges based on a documented allocation methodology.

See [Cost Transfer Policy](#).

Cost Sharing

Companion Account

An account that records cost sharing amounts using the sponsored activity and subactivity in combination with a non-sponsored fund value in the Harvard chart of accounts.

Cost Sharing (or Matching)

Any project costs not borne by the sponsor. Cost sharing of effort is the provision of faculty and/or staff time and related fringe benefits that were committed and provided in support of a project but are paid for by other sources of funding. Cost-shared effort in excess of the commitment made in the proposal does not have to be identified or certified.

Alternate Definition

Any project cost that is not reimbursed by the sponsor to support the scope of work defined by the federal or non-federal sponsored award. Cost sharing, also known as matching, is funded by Harvard or a third-party non-federal resource. Harvard strongly discourages cost sharing, unless such a commitment is required by the federal or non-federal sponsor. All committed cost sharing must be tracked and may require reporting.

In-kind Cost Sharing

Contributions where the value can be readily determined, verified, documented, and justified but where no actual cash is transacted in securing the good or service comprising the contribution. When applicable, an estimated value of the in-kind cost sharing must be identified and documented based on the fair market value determined at the time of accepting the award. In-kind cost sharing must be tracked manually by the department/local unit managing the award.

Over the Cap Salary

The portion of a faculty or staff member's salary (and associated fringe benefits) that exceed the regulatory maximum imposed by the sponsor (e.g., National Institutes of Health and Department of Defense salary cap). Over-the-cap salary cannot be used to meet a mandatory or voluntary committed cost sharing requirement, since it is considered an unallowable cost to the sponsor. This should be tracked via a companion account for effort reporting.

Voluntary Uncommitted Cost Sharing (VUCS)

University faculty or senior researcher effort that is over and above that which is committed and budgeted for in a sponsored agreement. This effort differs from mandatory or voluntary committed cost sharing; which is cost sharing specifically pledged in the proposal's budget or award. Effort relating to VUCS does not need to be charged to federal awards or be certified.

See [Effort Reporting Policy](#).

Cost Transfer

Cost Transfer

A cost transfer (CT) is mechanically a journal in the Oracle GL system that transfers an expense onto a federally-funded sponsored award previously recorded elsewhere on Harvard's General Ledger (GL) and identified by Harvard as requiring institutional approval before it can be posted to the GL. The journal must be identified as an over or under 90-day CT (Cost Transfer) in the batch description.

See [Cost Transfer Policy](#).

Direct Costs / Indirect Costs

Cognizant Agency for Indirect Costs

The Federal agency responsible for reviewing, negotiating, and approving cost allocation plans or indirect cost proposals on behalf of all Federal agencies. An institution's cognizant agency for indirect cost is not necessarily the same as the cognizant agency for audit. The Department of Health & Human Services Cost Allocation Services (DHHS CAS) is Harvard University's cognizant agency for indirect costs.

Direct Costs

Expenses that can be specifically identified and accountable to a project or activity with a high degree of accuracy. Direct costs include, but are not limited to, salaries, travel, equipment, and supplies directly benefiting the grant-supported project or activity.

Disclosure Statement (DS-2)

A formal description, prepared and certified by the institution, of the educational institution's cost accounting practices. The DS-2 explains the methodology for distinguishing "direct" from "facilities and administrative" (F&A) costs and identifies the methodology for accumulating and basis for allocating the indirect costs.

Facilities and Administrative (F&A)

Costs incurred by the University to support common or joint objectives and, therefore, cannot be identified readily or specifically with a particular sponsored project or activity, instructional activity, or any other institutional activity. F&A costs are sometimes called "indirect" costs or "overhead."

Federal Rate

The University negotiates indirect cost rate agreements with the Department of Health and Human Services for the following three (3) areas: Harvard University Area, Harvard Medical School, and the Harvard School of Public Health.

See [Indirect Costs - Policy for the Application of Indirect Costs to Sponsored Awards](#).

Indirect Cost Rate Proposal

A formal periodic submission to an institution's cognizant agency for indirect costs that substantiates the institution's request for reimbursement of indirect costs through indirect cost rates. Institutions of Higher Education must follow the cost principles found in Appendix III to Part 200 of the Uniform Guidance; Harvard's cognizant agency for indirect costs is DHHS.

Indirect Costs (Facilities and Administrative (F&A) Costs)

Costs incurred by the University to support common or joint objectives and, therefore, cannot be identified readily and specifically with a particular sponsored project or activity, instructional activity, or any other institutional activity. F&A costs are sometimes called "indirect" costs or "overhead."

Modified Total Direct Costs (MTDC)

Per Uniform Guidance 2 CFR §200.1 MTDC is defined as all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward (regardless of the period of performance of the subawards and subcontracts under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of \$25,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.

Off-campus

The research activities that are conducted on premises not owned or rented by the University or that facilities costs are being directly charged to the project.

Alternative Definition

Activities are conducted on premises not owned or leased by the University at locations where facilities-related indirect costs do not benefit the project. The “administrative” portion of the on-campus indirect cost rate (26%) applies to an off-campus sponsored project. For space used for off-campus research, an external source (typically, a sponsor) provides funding by paying directly for space by reimbursing the University for its costs in renting or leasing the space, or by otherwise directly providing space for research at no charge to the University.

See [On-Campus and Off-Campus Indirect Cost Rates Policy on Federal Sponsored Awards](#).

On-campus

Research activities conducted in space owned by the University and for which the University is bearing the space costs from University funds. The “facilities” portion of the on-campus indirect cost rate includes the costs associated with space in which on-campus effort is conducted. For research activities performed partly-on, partly-off campus, the University uses the rate applicable to the location where the preponderance of Harvard time and effort will be expended. Accordingly, each contract or grant is assigned only one indirect cost rate.

Alternative Definition

Activities are conducted in space owned by the University and for which the University is bearing the space costs from University funds. The “facilities” portion of the on-campus indirect cost rate includes the costs associated with space in which on-campus effort is conducted.

See [On-Campus and Off-Campus Indirect Cost Rates Policy on Federal Sponsored Awards](#).

Overhead

See [Indirect Costs \(Facilities and Administrative \(F&A\) Costs\)](#).

Preponderance of time and effort

The criterion for determining whether activity is conducted on-campus or off-campus for a sponsored project is as follows: when 50 percent or more of budgeted Harvard time and effort is performed on-campus, then the on-campus indirect cost rate applies; when more than 50 percent of budgeted Harvard time and effort is performed off-campus, the off-campus indirect cost rate (26%) applies. Note that any subaward or vendor service costs are not considered Harvard time and effort in the determination of preponderance of time and effort.

See [On-Campus and Off-Campus Indirect Cost Rates Policy on Federal Sponsored Awards](#).

Rented or leased space

Space that is used for a sponsored project but not owned by the University, the costs of which are paid from University funds or from funds provided by the sponsor. Research time and effort expended in leased or rented space is classified as either on- or off-campus depending upon the method by which the costs of the space are paid, as follows:

If the costs of the leased or rented space are paid from University funds, then research time and effort that is expended in that space should be regarded as on-campus.

If the cost of the leased or rented space is included as a direct cost in the project budget and is paid as a direct cost by the sponsor, then research time and effort that is expended in that space should be regarded as off-campus.

See [On-Campus and Off-Campus Indirect Cost Rates Policy on Federal Sponsored Awards](#).

Total Direct Cost (TDC)

The sum of all charges that are clearly associated with a sponsored project including the salaries of people working on it, the cost of necessary supplies and equipment, etc. TDC is often used to identify the costs on which overhead will be charged (e.g., an overhead rate of 20% TDC on an account means that all direct charges will be assessed 20% overhead).

See [Indirect Costs - Policy for the Application of Indirect Costs to Sponsored Awards](#).

Unrecovered Indirect Cost

The difference between the IDC rate amount awarded by the sponsor and the amount that would have been awarded if the full federally-negotiated indirect cost rate had been included. With sponsor approval, unrecovered indirect costs may be credited toward cost sharing requirements.

Effort Reporting

Academic Year

For effort reporting purposes, an academic year is the period of a faculty member's appointment. Harvard faculty are generally appointed for either 9 or 12 months. 9-month appointments can relate to either a specific 9-month period or 9 months' work spread over the fiscal year, and 12-month appointments include all months during a fiscal year.

See [Effort Reporting Policy](#).

Certification Period

The 30-day time interval for PIs, proxies, or designees to certify annual effort or that of the individuals who work on their projects. The certification period for recertification or certifications generated after the opening of a certification period is 21 days.

Committed Effort

Amount or percentage of time an individual has communicated to the sponsor that they will work on a specific sponsored project over a specified period of time. Commitments are made in the award proposal and may be documented by the sponsor in award documents. Changes to reduce committed effort may require sponsor approval.

Alternate Definition

Amount or percentage of time an individual has communicated to the sponsor that they will work on a specific sponsored project over a specified period of time. Commitments are made in the award proposal and may be documented by the sponsor in award documents.

Designee

Authorized delegation of certification responsibilities on a specific sponsored project to another individual (other than the PI) for the Quarterly Project Effort Certifications.

See [Effort Reporting Policy](#).

ecrt

The electronic effort reporting system used by Harvard University.

Effort Reporting

The mechanism used to provide assurance to federal or other external sponsors that salaries charged or cost shared to sponsored awards are reasonable in relation to the work performed. Effort reports are also referred to as “certifications” or “statements.”

See [Effort Reporting Policy](#).

Faculty Institutional Base Salary (IBS)

Annual compensation paid by the University for an employee’s appointment (9 or 12 months), whether that individual’s time is spent on research, teaching, or other activities. IBS does not include bonuses, one-time payments, or incentive pay. Additionally, IBS does not include payments from other

organizations or income that individuals are permitted to earn outside of their University responsibilities, such as consulting. IBS must be used as the base salary on all grant proposals unless there is a statutory limit on compensation (e.g., NIH cap).

See [Effort Reporting Policy](#).

Key Personnel

A term that may be used by a sponsor to refer to the program director/principal investigator and other individuals who contribute to the scientific development or execution of a project in a substantive, measurable way, whether or not they request salary support or compensation.

Alternate Definition

The program director/principal investigator and other individuals who contribute to the scientific development or execution of a project in a substantive, measurable way, whether or not they request salaries or compensation.

See [Effort Reporting Policy](#).

Period of Work Performed (PWP)

The academic year or fiscal quarter during which an employee performs effort. The period of work performed for annual faculty certifications is a fiscal year, July 1st to June 30th. The period of work performed for quarterly project certifications are the fiscal quarters, July- September (Q1), October-December (Q2), January-March (Q3), and April-June (Q4). The period of work performed includes salary journals that are posted outside the academic year or fiscal quarter but relate to time and effort expended during the academic year or fiscal quarter. The period of work performed may also be referred to as the reporting period.

See [Effort Reporting Policy](#).

PI/Faculty Effort

The proportion of time spent by an academic appointee on any University activity expressed as a percentage of time. 100% effort is the total time spent on University work within the scope of their academic appointment period (9 or 12 months), regardless of how many or how few hours an individual worked in the reporting period. The total effort reported for a PI/faculty member will always equal 100%, even if they are less than 1.0 FTE. Total academic period effort includes sponsored projects and non-sponsored activities that are funded by the University including work performed outside of normal work hours and work performed off-campus.

See [Effort Reporting Policy](#).

Proxy

Authorized delegation of certification responsibilities for the PI/faculty member's individual Annual Faculty Effort Certification statement.

See [Effort Reporting Policy](#).

Salary Cap

Legislatively-mandated provision limiting the direct salary (also known as salary or institutional base salary, but excluding any fringe benefits and F&A costs) for individuals working on grants, cooperative agreement awards, and extramural research and development contracts.

Salary Certification

The assertion by a PI/faculty or proxy/designee that the salaries charged to sponsored projects as direct charges or cost sharing reasonably reflect the effort expended and work performed during the period of work performed/reporting period.

See [Effort Reporting Policy](#).

Supplemental/Summer Salary

Salary paid to faculty to compensate for effort performed on sponsored projects outside of their academic appointments. Faculty compensated for 9-month academic appointments are permitted to earn up to an additional three months of supplemental/summer paid compensation on one or more sponsored and/or non-sponsored activities. Individuals can earn up to the equivalent of three months of additional salary for that effort, subject to school and sponsor policies and the appropriate school-level approval. If a faculty member has administrative or other non-sponsor related responsibilities (including vacations) during the period for which they are requesting supplemental salary, they are precluded from devoting the maximum allowable 95% effort to sponsored projects and cannot request the full 95% of 3 months of salary from sponsored projects.

Alternate Definition

Faculty compensated for 9-month academic appointments are permitted to earn up to an additional three months of supplemental/summer paid compensation on one or more sponsored and/or non-sponsored activities. Individuals can earn up to the equivalent of three months of additional salary for that effort, subject to school and sponsor policies and the appropriate school level approval. If a faculty member has administrative or other non-sponsor related responsibilities (including vacations) during the period for which they are requesting supplemental salary, they are precluded from devoting the maximum allowable 95% effort to sponsored projects and cannot request the full 95% of 3 months of salary from sponsored projects.

See [Effort Reporting Policy](#).

Equipment

Acquisition Cost

Acquisition cost is the cost to purchase an asset and make it available for use. Acquisition cost includes the purchase price of the item and costs necessary to obtain and prepare the asset (e.g., shipping costs or any expense necessary for placing the item in location and bringing it to a condition necessary for

normal or expected use). Acquisition cost does not include repairs, service contracts, or supplemental warranties. (§200.2, Capital Equipment Policy)

Capital Assets

Assets used in operations which have a useful life of more than one year and a value of more than \$5,000. Capital Assets may be tangible, such as land, facilities, and equipment; or intangible, such as intellectual property; and are capitalized in accordance with the Financial Management of Property Plant and Equipment Policy and Generally Accepted Accounting Principles.

Equipment

Tangible personal property having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds \$5,000. Equipment is a type of capital asset.

Fabrication/Fabricated Equipment

Equipment constructed or developed by combining parts or materials into one identifiable unit that is intended to be used for Harvard research. The aggregate cost of all parts in the completed unit must meet the \$5,000 capital equipment threshold and must have a useful life of one year or more. A fabrication may also be referred to as a Work In Progress (WIP).

Government Furnished Property (GFP)

Equipment in the possession of, or acquired directly by, the federal government and subsequently delivered or otherwise made available to the University under a sponsored award.

The title to GFP remains with the government, regardless of the equipment's value. GFP is recorded in Oracle Assets with an acquisition cost of \$0, as the equipment is not purchased.

Information Technology Systems

Information technology systems means computing devices, ancillary equipment, software, firmware, and similar procedures, services (including support services), and related resources. Information technology systems that meet the capitalization requirements are considered “equipment.”

Micro-purchase

A purchase of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed the micro-purchase threshold (\$10,000 effective FY21).

Real Property

Real property includes land, including land improvements, structures, and appurtenances thereto, but excludes moveable machinery and equipment.

Repairs

In relation to capital equipment, repairs are expenses that maintain the equipment for current use. Repairs that do not extend the useful life of the equipment by one year or more cannot be capitalized. Repairs that extend the useful life of equipment by one year or more are considered upgrades and may be capitalized.

Simplified Acquisition Threshold

Simplified acquisition threshold means the dollar amount below which a non-Federal entity may purchase property or services using small purchase methods (no bidding process required). The simplified acquisition threshold is \$250,000 as of 6/20/18. Please note that Harvard may have different thresholds.

Federal Regulations

A-21 Functional Categories

A-21 codes are three-digit values assigned as attributes to Activities which reflect the function or purpose of the expense. These codes are often reported in the Activity Description, and they are required for all University expense transactions. For sponsored activities, the following codes are commonly used: A01 – Instruction and Departmental Research A02 – Organized Research A03 – Other Sponsored Activities A15 – Scholarships.

Bayh-Dole Act

United States legislation which gives U.S. universities, non-profit research institutions, and small businesses intellectual property control of their inventions and other intellectual property resulting from federally-funded research programs.

Catalog of Federal Domestic Assistance (CFDA) number

The unique number assigned to each funding opportunity in the Catalog of Federal Domestic Assistance Programs (CFDA). The number is comprised of a two-digit prefix that identifies the federal agency followed by a period, and a three-digit number that identifies the specific program (e.g., 84.011). Some programs are subdivided into smaller, free-standing programs by affixing an alphabetic letter to the end of the standard CFDA Number. The CFDA Number is required to be included on all subawards, and on some federal grant application packages and can be found on sponsor notices or funding announcements. CFDA Numbers are needed to properly report funding on the institution's SEFA (Schedule of Federal Expenditures).

Cognizant Agency for Audit

A non-Federal entity expending more than \$50 million a year in Federal awards must have a cognizant agency for audit. The designated cognizant agency for audit must be the Federal awarding agency that provides the predominant amount of direct funding to a non-Federal entity unless Office of Management and Budget (OMB) designates a specific cognizant agency for audit (2 CFR §200.513).

Because Harvard's primary source of federal support comes from the National Institutes of Health ("NIH"), the cognizant agency is the Department of Health and Human Services ("DHHS").

Compliance Supplement

A guide created by the Office of Management and Budget (OMB) to assist auditors in performing audits of federal assistance and federal grant programs, as well as their respective recipients. This document is helpful to recipients of federal awards because in Part 2, known as the "Matrix," the Supplement outlines the compliance requirements applicable to federal programs that are included in the Supplement. (Uniform Guidance, Appendix XI to Part 200 (previously known as the Circular A-133 Compliance Supplement) 2 CFR §200.21)

Federal Acquisition Regulations (FAR)

A set of regulations and procedures governing the acquisition or contracting actions of all federal agencies. All federal contracts are subject to the FAR, whereas federal grants or cooperative agreements are subject to 2 CFR §200. To find out if your award is subject to FAR, consult the funding opportunity announcement (FOA), notice of award (NOA), or the Funding Instrument in the project's GMAS segment.

Office of Management and Budget (OMB)

Agency of the Executive Branch of the U.S. Government that assists the President in overseeing the preparation of the Federal budget; monitoring of agency performance; and establishing the government-wide grants management policies and guidelines through circulars and common rules. These policies are adopted by each grant-making agency.

Uniform Guidance (2 CFR §200)

OMB publication entitled "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (2 CFR §200).

See [Subrecipient Monitoring Policy](#).

Alternate Definition

A set of regulations and procedures governing grants and cooperative agreements funded by federal agencies (2 CFR §200). Includes administrative requirements, cost principles, and audit requirements for federal awards.

GMAS

Action Memo

A standardized document generated in GMAS recording the issuance or changes to an award and includes a summary of dates and dollars by subactivity. Action Memos are generated by sponsored programs offices based on award notices, amendments/modifications, and administrative changes. Notifications are managed and distributed by the sponsored programs offices to staff with responsibilities associated with the award.

Alternate Definition

The official University communication regarding a sponsored award notice accepted by the University. Certain award terms and conditions, dates and dollars, and accounts activated for the award are included. The Action Memo is also used to communicate authorized internal requests and administrative changes.

See [Cost Transfer Policy](#).

Grants Management Application Suite (GMAS)

Harvard's web-based grants management system that includes information about all sponsored awards and connects individuals involved in and responsible for sponsored research administration.

See [Subrecipient Monitoring Policy](#).

Alternate Definition

GMAS is the University's system of record for proposals, awards, financials, and documentation related to sponsored projects.

See [Cost Transfer Policy](#).

The Grants Management Applications Suite (GMAS) is Harvard's web-based grants management system and system of record for all sponsored funding. The system supports sponsored activities throughout the award lifecycle, including proposal review, approval, and submission; account creation; updates to awarded terms and conditions; and invoicing and financial reporting. GMAS is integrated with the general ledger and with many compliance systems.

Institutional Review Board (IRB)

FWA (Federal wide Assurance)

The University's agreement with the Department of Health and Human Services (DHHS) regarding our obligations to review and approve the use of human subjects in research in compliance with DHHS policies. The University has three FWAs: one for the Medical and Dental Schools, one for the School of Public Health, and one for the other schools on the Cambridge and Allston campuses (the University Area). Each of the University's FWAs has its own code -- see the OSP Institutional Fact Sheet for FWA codes.

Institutional Review Board (IRB)

A committee formally designated to approve, monitor, and review biomedical and behavioral research involving humans with the aim to protect the rights and welfare of the research subjects. Regulations have empowered IRBs to approve, require modifications in planned research prior to approval, or disapprove research. An IRB performs critical oversight functions for research conducted on human subjects that are scientific, ethical, and regulatory. The University has two IRBs: the Committee on the Use of Human Subjects in Research (CUHS) reviews projects within the Harvard University Area and the Office of Regulatory Affairs and Research Compliance (ORARC) reviews projects within the Longwood Medical Area. ESTR (Electronic Submission Tracking and Reporting) is the system used to document IRB requests and approvals.

International

Establishment of a New International Site

General purpose equipment includes equipment which is not limited to research, medical, scientific, or other technical activities (e.g., office furnishings, copiers).

See [International Collaborations and Activities](#).

Export Controls

Federal laws and regulations that restrict the unlicensed flow of certain materials, devices, and technical information related to such devices outside the United States or to foreign persons in the United States. These laws include, but are not limited to: the International Traffic in Arms Regulations (ITAR), which are administered by the U.S. Department of State control defense-related items; the Export Administration Regulations (EAR), which are administered by the U.S. Department of Commerce and control “dual-use” technologies; and regulations promulgated by the Office of Foreign Asset Controls (OFAC), a division of the U.S. Department of Treasury that administers and enforces economic embargoes and trade sanctions based on U.S. foreign policy and national security goals against targeted foreign countries, terrorists, international narcotics traffickers, and those engaged in activities related to the proliferation of weapons of mass destruction. See Provost Export Controls Policies and Procedures.

Foreign National

Any person who is a citizen of a foreign country (i.e., is not a U.S. citizen, U.S. lawful permanent resident, or a person granted asylum or refugee status). This term also includes any foreign corporation, business association, partnership, trust, society, or any other group not incorporated or organized to do business in the United States, and any international organization, foreign government, or diplomatic entity.

Certain sponsors, including the Department of Defense, Department of Energy, and NASA, may require prior review of foreign nationals participating in the funded research.

Alternate Definition

An individual who is a citizen of any country other than the United States. This includes individuals working at Harvard while on a student, scholar, or work visa. Note that individuals who hold U.S. permanent residency status (i.e., holders of a green card) or who have been deemed “protected individuals” as defined in 8 U.S. Code § 1324b(a)(3) (e.g., refugees or persons seeking asylum) are not considered foreign nationals for the purposes of this International Component.

See [International Collaborations and Activities](#).

Impact on US Foreign Policy

Any activity in connection with the Project that may have an impact on foreign policy through the involvement in the affairs or environment of a foreign country.

See [International Collaborations and Activities](#).

International Collaborator

Any individual (other than a formal subrecipient) who (a) is employed or engaged by a non-U.S. organization, or, as in the case of an independent contractor, otherwise operates outside of the US; and (b) will be performing work in support of Project aims, regardless of whether or not such organization or individual receives funding from the Project or Harvard.

See [International Collaborations and Activities](#).

International Component

For purposes of the International Collaborations and Activities Approval, an International Component is any element of a Project which takes place outside of the U.S.; involves the receipt of funding, in-kind support, or other resources (including personnel) from a foreign organization or collaborator; includes the issuance of funds or resources to a foreign organization or collaborator in support of Project aims; or that may have an impact on U.S. foreign policy. The specific International Components addressed under the International Collaborations and Activities Approval in GMAS are listed below under International Component Definitions.

See [International Collaborations and Activities](#).

International Human Subjects and/or Animal Research

The conduct of research involving human or animal subjects outside of the U.S in connection with the Project, whether by Harvard, or by any of its collaborators or subrecipients.

See [International Collaborations and Activities](#).

International Shipment/Transfer/Exchange of Research Materials, Data and/or Equipment

Any (i) shipment or transfer of equipment, software, or technology, (ii) sharing of data (other than through publication), or (iii) shipment of biological, chemical, or radioactive samples, in each case, to or from an international collaborator or site in connection with the Project.

See [International Collaborations and Activities](#).

International Sponsor

A non-U.S. organization that is the named sponsor or prime sponsor of the Project. While the Project may involve other sources of funding or resources, this International Component refers to the organization to which Harvard's obligations under the sponsored award flow, whether in the University's capacity as the award recipient or as a subrecipient to another pass-through-entity.

See [International Collaborations and Activities](#).

International Subaward

An agreement (subaward) that flows down Project funding and prime award terms to a non-U.S. organization (subrecipient) for the performance of substantive, programmatic work on the Project, including the design or conduct of research.

See [International Collaborations and Activities](#).

International Traffic in Arms Regulations (ITAR)

The body of U.S. law governing export of articles, services, and related technical data that are inherently military in nature (including technology related to space and space exploration), as determined by the U.S. State Department.

International Travel

Travel outside of the U.S. for any purpose in support of Project aims, whether by a member of the Project team or by another individual who is contributing to the completion of the Project (paid or unpaid, Harvard-affiliated or otherwise).

See [International Collaborations and Activities](#).

Project

The sponsored project in connection with which information on International Components is being requested. Entry and confirmation of such information is required at various points during the Project lifecycle, including prior to submission of the initial proposal and upon award.

See [International Collaborations and Activities](#).

Sponsor Requirements

The applicable regulations and administrative requirements of the organization funding the Project. While the International Collaboration and Activities Approval is grounded in disclosures required by U.S. federal agency sponsors, non-federal sponsors may also require certain disclosures and prior approvals with respect to International Components.

See [International Collaborations and Activities](#).

Use of International Facilities/Instrumentation at an International Site

Any use of facilities and/or instrumentation outside of the U.S. by Harvard personnel, or by a collaborator, vendor/service provider or subrecipient, in connection with the Project. Any payment to

individuals or entities in support of such use (excluding under a formal subaward), or for similar services essential to the Project, including via a services/vendor agreement, should likewise be captured under this International Component.

See [International Collaborations and Activities](#).

Non-Harvard Entities

Contractor (Vendor)

Contractor means an entity that receives a contract. A contract is a legal instrument by which a non-federal entity purchases property or services needed to carry out the project or program under a federal award. (Uniform Guidance §200.1 Definitions)

See [Subrecipient vs. Contractor Guidance](#).

Alternate Definition

Organization that provides goods and services within normal business operations. Contractors (vendors) provide similar goods and services to many different purchasers, operate in a competitive environment, and provide goods or services that are ancillary to the operation of the sponsored program.

See [Subrecipient Monitoring Policy](#).

Non-federal Entity

A state, local government, Indian tribe, institution of higher education (IHE), or nonprofit organization that carries out a Federal award as a recipient or subrecipient. (2 CFR §200.69)

Non-Harvard Customers

An entity or person legally separate from Harvard that typically purchases goods or services for reasons of convenience, quality, or uniqueness of goods or services offered. Examples include PIs at affiliated hospitals, commercial research labs, collaborators at other institutions, and non-consolidating tubs.

See [Program Income Guidance](#).

Non-profit Organization

Any corporation, trust, association, cooperative, or other organization, not including Institutes of Higher Education, that is organized and operated for a collective, public, or social benefit pursuant to the applicable laws of its jurisdiction.

Pass-through Entity

Non-federal entity that provides a federal award to a subrecipient to carry out a federal program; sometimes referred to as the “prime” or “lead” organization.

See [Subrecipient Monitoring Policy](#).

Vendor

An organization that provides goods and services within normal business operations. Vendors provide similar goods and services to many different purchasers, operate in a competitive environment, and provide goods or services that are ancillary to the operation of the sponsored program.

Office of Technology Development (OTD)

Industry Sponsored Research Agreement (ISRA)

An agreement between the University and a corporate sponsor to support research; these agreements are distinguished from standard sponsored research agreements by the for-profit nature of the sponsor. ISRAs are typically negotiated and approved by the Office of Technology Development.

Material Transfer Agreement (MTA)

An agreement negotiated by the Office of Technology Development to govern the transfer of tangible materials between organizations. (Most frequently the materials are biological in nature, but MTAs may govern other material types, such as devices.) MTAs specify the rights, obligations, and restrictions of

both the providing and receiving parties with respect to the materials, including intellectual property ownership, publication, permitted uses, and liability.

Technology Transfer

The various mechanisms by which the University "transfers" products of research to outside organizations, including industry. This may also refer to the transfer of products to the University. For technology transfers between the University and industry for potential market applications, the researcher and the University usually receive some compensation (i.e., licensing fees). See The Office of Technology Development.

Other

Affiliate Organization

The clinical hospitals and research institutes that formally partner with Harvard University on patient care and clinical training. These partnerships are focused on teaching and research, allowing educators to mentor aspiring physicians and scientists across institutions.

Bond Covenant

An agreement between the issuer and holder of a bond, requiring or forbidding certain actions of the issuer. Positive covenants require actions while negative covenants forbid them. The exact terms of a bond covenant must be written in the bond indenture.

Conflict of Interest (COI)

A conflict of interest occurs when an individual's relationships and/or activities outside the University -- such as outside appointments, consulting engagements, or financial investments -- could compromise their judgment on work within the University or call their judgment into question because of real or perceived personal gain. Harvard requires all outside activities and interests related to an individual's research to be disclosed in the OAIR (Outside Activities and Interests Reporting) system: oair.harvard.edu.

Federal Demonstration Partnership (FDP)

A large consortium of universities, nonprofits, federal agencies, and affiliate organizations that works with the OMB (Office of Management and Budget) to streamline the administration of federal sponsored awards. Expanded Authority is an example of a simplification that all institutions have been allowed to use after a successful demonstration by an FDP pilot project.

Fringe Benefits

Employee-associated costs such as health plan expenses, pension plan expenses and workman's compensation expenses, among others, expressed as a rate by employee class. Sponsors will reimburse us for fringe benefit costs, expressed as a percentage of total salaries. As salaries and fringe benefits can represent the largest component of cost on a given project, the University negotiates its fringe benefits rates with the federal government on an annual basis.

Institutional Animal Care and Use Committee (IACUC)

The committee responsible for reviewing, approving, and ensuring compliance with all activities involving the use of animals in federally-funded research. At Harvard, the review requirement extends to all animal research, regardless of source of funding (including internal).

Participant Support

Participant

A non-Harvard employee who is the recipient, not the provider, of a training associated with a workshop, conference, seminar, symposium, or other short-term instructional or information sharing activity. Participants are not required to provide any deliverable to the University and they are not subject to Harvard human resources policies (e.g., they cannot be terminated for failure to perform). Participants may include students, scholars, and scientists from other institutions, representatives of private sector companies, teachers, and state or local government agency personnel.

Participant Support Costs

Participant Support Costs, as defined by 2 CFR § 200.456, are direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences or training projects (excluding training grants).

Programmatic

Performance Goal

A measurable objective or deliverable against which actual achievement can be compared. In some instances (e.g., discretionary research awards), such deliverables may simply consist of technical performance reports.

Research Records

Recorded research information, data, and materials, in whatever form or medium, that are created or acquired in the process of performing research, whether supported by University resources or by external sponsors or donors. Research Records also include documents, materials, information, and written correspondence that relate to administration and financial management of research, reporting of research results, or sponsored award applications.

Research Type

Fundamental Research

Basic and applied research in science and engineering, the results of which ordinarily are published and shared broadly within the scientific community, as distinguished from proprietary research and from industrial development, design, production, and product utilization; the results of which ordinarily are restricted for proprietary or national security reasons. (National Security Decision Directive 189)

See [Publications](#).

Organized Research

Discovery-oriented activities for which there is separate budgeting and accounting.

Research and Development (R&D)

All research activities, both basic and applied, and all development activities that are performed by non-Federal entities. The term research also includes activities involving the training of individuals in research techniques where such activities utilize the same facilities as other research and development activities and where such activities are not included in the instruction function.

Small Business Innovation Research/Small Business Technology Transfer (SBIR/STTR)

Government programs that encourage innovation by mandating that the large sponsoring agencies fund cooperative R&D projects involving small businesses and research institutions.

Service Centers

Academic Service Centers

Units within Harvard departments or centers that charge for goods or services that directly support the research or academic mission of the University and recover costs through charges to internal and external users.

See [Service Centers: Academic Service Center Policy](#).

Affiliate Users

Academic users who do not use Harvard's 33-digit account coding to pay for services and who are requesting services for research occurring at Harvard's affiliated hospitals and research institutes. (See lists of Harvard Medical School affiliates and Harvard University affiliates.)

See [Service Centers: Academic Service Center Policy](#).

Central Service Units

Separate operating units that are generally not part of academic tubs and provide services to Harvard and other users. Examples of central service units include University Dining Services, Harvard University Information Technology, and Harvard Real Estate Services. Central service units are not covered under the academic service center policy.

Alternate Definition

Separate operating units that are generally not part of academic tubs and provide services to the entire University community. Examples of central service units include University Dining Services, Harvard University Information Technology, and Harvard Real Estate Services. Central service units are not covered by this policy.

See [Service Centers: Academic Service Center Policy](#).

External and Commercial Customers

Users that are legally separate from Harvard or its affiliates that purchase goods or services from Harvard for reasons of convenience, quality, or uniqueness of goods or services offered. Examples include commercial research labs and collaborators at other institutions, among others. Note: Users from non-consolidating tubs may be offered internal rates, but income from services rendered to those tubs must be recorded as external revenue.

See [Service Centers: Academic Service Center Policy](#).

Alternate Definition

An entity or person that is legally separate from Harvard that typically purchases goods or services for reasons of convenience, quality, or uniqueness of goods or services offered. Examples include PIs at affiliated hospitals, commercial research labs, collaborators at other institutions and non-consolidating tubs.

Internal Users

Users who pay for goods or services using Harvard's general ledger 33-digit account, or are Harvard-based Howard Hughes Medical Institute (HHMI) investigators who are conducting research at Harvard University. Note: Users from non-consolidating tubs may be offered internal rates, but income from services rendered to those tubs must be recorded as external revenue.

See [Service Centers: Academic Service Center Policy](#).

Service Center Subsidy

Financial support for a service center that is not generated by the sales of goods or services to offset deficits or support operating costs. These funds are sometimes called “subventions”.

Specialized Service Facilities (SSF)

A category of ASCs with annual operating expenses of more than \$2 million that provide highly complex or specialized services to a select group of users. The billing rates for these centers are based on their direct operating costs and an allocated portion of F&A costs. If the F&A is not included in the service center rates, these indirect costs must be covered by other school or tub funds and excluded from the federal F&A calculations. See 2 CFR 200 Uniform Guidance, Subpart E §200.468.

See [Service Centers: Academic Service Center Policy](#).

Subsidy

Financial support for a service center that is not generated by the sales of goods or services. These funds are sometimes called “subventions”.

See [Service Centers: Academic Service Center Policy](#).

Subsidy (to Service Center)

Funds provided to a service center to cover operating costs during the year or to cover deficits at year end.

See [Service Centers: Academic Service Center Policy](#).

Subsidy (to Users)

Funds provided to cover the difference between a lower rate paid by some users and the full rate. For example, subsidies may be provided by a specific department that wishes to subsidize only users from that department. The service center recovers the full cost of services provided to subsidized users by charging the difference between the full rate and the subsidized rate to the unit providing the subsidy.

See [Service Centers: Academic Service Center Policy](#).

Users

Users are consumers of goods or services provided by ASCs whether or not they pay for those goods or services. Users can be internal to the University, associated with a Harvard-affiliated institution, or external to the University.

See [Service Centers: Academic Service Center Policy](#).

Subawards

Pass-through Entity

Pass-through entity (PTE) means a non-Federal entity that provides a subaward to a subrecipient to carry out part of a sponsored program.

Subaward

An agreement with a third-party organization to perform a portion of a research project or program using its own facilities and resources, which often requires sponsor approval. Recipients of subawards – subrecipients – often perform substantive work that is integral to the performance of the project and is differentiated from services performed by vendors or consultants in terms of both responsibility and autonomy of the subrecipient organization. The agreement terms for a subaward (also referred to as sub-grants or subcontracts) are governed, in part, by the award agreement funding the overall project.

The University has both incoming subawards, for which Harvard is the subrecipient, and outgoing subawards, in which Harvard contracts out a portion of a University-based project.

Alternate Definition

Subaward means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a sponsored award received by the pass-through entity. It does not include payments to a contractor or payments to an individual. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

See [Indirect Costs - Policy for the Application of Indirect Costs to Sponsored Awards](#).

Enforceable agreement, issued under a prime sponsored project, between a pass-through entity and a subrecipient for the performance of a substantive portion of the program; these terms do NOT apply to the procurement of goods or services from a contractor (vendor). (See Subrecipient vs. Contractor Guidance under “Related Policies” above).

See [Subrecipient Monitoring Policy](#).

Subaward means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract (Uniform Guidance §200.1 Definitions)

See [Subrecipient vs. Contractor Guidance](#).

Subrecipient

An organization that receives funding from a pass-through entity to carry out part of a sponsored program through a subaward mechanism. Subrecipients, alternately referred to as subcontractors within Harvard sponsored programs, perform work that is important to the overall performance of the sponsored project and must adhere to applicable program compliance responsibilities. Subrecipient organizations actively participate in designing and/or conducting the research, as opposed to simply

providing goods and services. Quarterly reviews are used to monitor all University subrecipients for work performance, financial matters such as invoicing, and other issues.

Subrecipient (Subcontractor or Subawardee)

Organization eligible to receive a financial award. A subrecipient's performance is measured against whether the objectives of the sponsored program are met; subrecipients have responsibility for programmatic decision-making and for adherence to applicable program compliance responsibilities. Subrecipients are responsible for performing a substantive portion of the program, as opposed to providing goods and services.

See [Subrecipient Monitoring Policy](#).

Tuition and Stipends

Stipend

Stipends are payments made to individuals for subsistence support or to defray expenses during a period of academic appointment. Stipend payments are not compensation for services rendered and, therefore, are not allowable on federal awards unless the purpose of the agreement is to provide training to selected participants and the charge is approved by the sponsoring agency (OMB Circular Uniform Guidance, Subpart E). Note: The stipend object codes include 6440, 6450, 6452, and 6455 and are not certified in ecrt. The stipend object code associated with tuition support is 6440. Be sure individuals have been classified appropriately and are being paid on appropriate object codes. Failure to classify individuals correctly jeopardize both Harvard and the individual from a legal and IRS perspective. In the event an appointment is misclassified (stipendee or employee) please contact your tub official for required steps.

See [Cost Transfer Policy](#).

Tuition Remission

The portion of a salaried graduate student's tuition and fees charged to sponsored research awards as part of the compensation package for performing necessary work on the research project. The allocation of tuition payments must be no more than salary distribution of relevant work effort on the research award. Tuition remission is subject to effort reporting. The tuition remission and tuition support object code is 6430.

See [Cost Transfer Policy](#).

Tuition Support

A scholarship payment made to an individual who has a stipendee status during a period of academic appointment. The tuition support is not compensation for services rendered. In general, it should only be charged to sponsored training grants and sponsored fellowship awards when the primary purpose is to aid the individual in pursuit of personal studies or research. The tuition remission and tuition support object code is 6430.

See [Cost Transfer Policy](#).