McCormick Research Administration Reference Document:
Best Practices for Direct Charging Faculty Salary

Introduction

Direct charging is the default mechanism by which all academic year faculty salary expenses are applied (via FASIS, the Faculty and Staff Information System) to sponsored and non-sponsored chart strings. When sponsored awards are charged, it is also known as a mechanism for "salary recovery" because the school recovers funds it had encumbered for salaries by placing the charges on sponsored awards instead. This process is managed by the Business Administrator (BA), but the RA provides important data and guidance. Depending on the department's needs and resources, the RA and BA may choose to divide up these tasks in a slightly different distribution than what is described here, but the below method has been proven to work well and is recommended as a starting point.

Also See: Best Practices for Effort Management & Reporting
Best Practices for Managing Cost-Sharing
McCormick Fixed Price Contract Policy

RA Responsibilities

Manage Awarded Effort Commitments

To the greatest extent possible – ideally, for all faculty whose effort reporting is managed by the department – the RA should maintain a "shadow system" to track awarded commitments. Resources include InfoEd Cognos reports and proposal documents. Any changes to the official commitments recorded in InfoEd – for example, a summer commitment redistributed to the academic year or a 1-month commitment reduced to 0.9 months – should be reflected in the RA's internal records. The RA should monitor commitments for potential compliance issues, such as an investigator becoming more than 100% committed.

Manage Cost-Sharing Requirements and Unusual Circumstances

Occasionally, an award will include a cost-sharing requirement (meaning that NU covers a portion of the costs of completing a sponsored project). This can be done by cost-sharing academic salary (working on the project but letting the McCormick faculty salary account absorb the cost), or by charging the salary to the sponsored chart string and using the released funds to fund project expenses. When an award contains one or both of these requirements, the RA should track them and ensure that they are met.

There may also be other situations where salary either *must* be charged (e.g. fixed-price contracts) or *cannot* be charged (e.g. a foundation that prohibits faculty salary as an expense). The RA should be aware of these special cases and ensure that the department remains compliant.

Determine Faculty Recovery Plans (If Not Handled By BA)

As described above, the terms of the award may proscribe whether a faculty member charges salary commensurate with a commitment, but in many cases it is at the investigator's discretion. The RA or BA should approach the faculty members to determine how they would like to proceed. If this communication takes place orally, the BA or RA should send each faculty member an email documenting the decision once discussions have concluded. Ideally, the initial planning should happen in August of each year so that there is a plan in place for the entire fiscal year.

If the RA is developing these plans, she should begin by sending the commitment information to each faculty member, including any special requirements as described above. She should work to develop a compliant plan for each faculty member that takes into account the faculty member's preferences, sponsor restrictions, funds available, and other circumstances.

Communicate Recovery Plans to BA/Payroll Staff

The RA should make commitment information, and any information about salary recovery plans, available to the BA or to a staff member the BA designates to assist with faculty payroll entry. This can be done by maintaining a spreadsheet on a shared drive, sending periodic emails with commitments, or any other method that the RA and BA agree upon. The RA should also be prepared to answer faculty questions about commitments and effort plans, and should pass on any new information about recovery plans to the BA throughout the year. The RA should also notify the BA of any salary cap limitations (such as the NIH salary cap) when applicable, as these will impact the way that the salary is set up.

Assist with Effort Pre- and Post-Review

The RA should assist the BA with pre-review of faculty effort forms by providing commitment information as described above and answering any questions related to compliance or faculty effort plans. The RA and BA may find it helpful for the RA to use the Pre-Review function to fill in the planned commitments and save (but not submit) the Pre-Review for each faculty member. The BA can then review the information and submit if she is in agreement.

During Post-Review, the RA should be available to answer questions such as whether the effort a faculty member entered will require an adjustment in his effort plan for the year. The RA may also provide guidance on any particularly complicated situations that arise and should generally serve as a subject matter expert.

BA Responsibilities

Determine Faculty Recovery Plans (If Not Handled By RA)

As described above, the terms of the award may proscribe whether a faculty member charges salary commensurate with a commitment, but in many cases it is at the investigator's discretion. The RA or BA should approach the faculty members to determine how they would like to proceed. If this communication takes place orally, the BA or RA should send each faculty member an email documenting the decision once discussions have concluded. Ideally, the initial planning should happen in August of each year so that there is a plan in place for the entire fiscal year.

If the BA is developing these plans, she should begin by obtaining the commitment information from the RA, including any special requirements as described above, and providing it to each faculty member. She should work to develop a compliant plan for each faculty member that takes into account the faculty member's preferences, sponsor restrictions, funds available, and other circumstances. She should consult with the RA as needed to ensure that the plan is compliant.

If neither the BA nor the RA has time to prepare detailed recovery plans, they can simply ask faculty to let the BA know if they want to recover any salary, but this is not recommended.

Complete Direct Charging Spreadsheets

The BA or her delegate (e.g. a Financial Assistant) should complete a Direct Charging Excel spreadsheet for each faculty member.

Deploy Funding

The BA or her delegate should deploy the funding in FASIS.

Review to Ensure Funding Posts

The BA or other financial staff should ensure that all salary is correctly set up and is posting to the sponsored chart strings as expected.

Follow-Up

The BA should review the direct charging spreadsheets regularly (at least once every 2 months) to make any necessary changes, extend funding, add new awards, etc.

Manage Effort Reporting Pre- and Post-Review

The BA will likely rely upon the RA's input for faculty pre- and post-review, but should ultimately be the one performing these functions and should use the direct charging spreadsheets she completed earlier to confirm that the effort forms correctly reflect these charges and that any cost-shared effort is included in the pre-review. The BA is responsible for ensuring that all forms are pre- and post-reviewed by the deadlines that the effort reporting team provides.