

ACTIVITY VALUES AND THEIR A-21 DEFINITIONS

Thanks to the Chart of Accounts module of the Enhancing Financial Management classes, we are all aware of the impact Activity values have on the indirect costs the University recovers from the federal government. However, choosing the correct Activity value with the correct A-21 code can be a difficult task. The following is meant to provide further explanations for the most frequently occurring A-21 codes in FAS, and in so doing, provide more guidance on how to appropriately select Activity values based on functional category. If you have any questions, please contact the Application Security group at appsec@fas.harvard.edu or the Finance Office at 5-1525.

BACKGROUND

Activity values are used in the chart of accounts to illustrate the way in which money is being spent – in particular to identify the project or activity for which the money is being used. There are several main categories of activity, referred to as functional categories, at the University. The most prominent functional categories in the FAS and their corresponding A-21 codes are:

Functional Category	A-21 Code
Instruction & Departmental Research	A01
Organized Research	A02
Other Sponsored Activities	A03
Other Institutional Activities	A04
Fundraising	A04-1
Service Centers/Recharge Facilities	A05
Departmental Administration	A07
Student Administration & Services	A09
Operation & Maintenance	A10
Library	A11
Scholarships & Student Awards	A15

Funds on the other hand, represent the source of the money being used. You'll notice, in the following guide, that the selection of an Activity value is often tied to the source of money. This is because donors and sponsors often define the manner in which their money is to be spent (the intended activity) *via* terms and conditions of awards.

The connection of an Activity value with a fund is especially true for sponsored projects. Sponsored projects are assigned specific Activity values that reflect the functional category of the project, at the time that their corresponding funds¹ are set up by the Office for Sponsored Programs (OSP) in the University's Grants Management system (GMAS). As can be seen in the following guide, sponsored projects are primarily assigned Activity values with A-21 codes of Instruction and Departmental Research (A01), Organized Research (A02), or Other Sponsored Activities (A03), and no user discretion is required in choosing the Activity value or A-21 code for sponsored transactions. One special case to watch for, though, is cost sharing: when a sponsored award requires cost sharing, expenditures are identified by codings that use the project's sponsored Activity value with the non-sponsored fund value for the money offered as cost sharing.

¹ Sponsored funds are created when a project is defined as a "sponsored project," one containing most, if not all, of the following characteristics: a competition for award disbursement; a defined scope of work and period of performance; a strict line-item budget detailing expenditures by activity, function, and project period; a specific commitment regarding deliverables and the level of personnel effort; and formal reporting requirements. For more information on the difference between gifts and grants, see the Office of Sponsored Programs website (http://vpf-web.harvard.edu/osr/funding/fund_gr_tree.shtml).

It is not always easy to decide which functional category to use for expenditures of non-sponsored funds, however. Non-sponsored Activity values (those that start with a 5 or 6) are used only with non-sponsored funds, and the functional category descriptions below provide guidance for selecting those Activity values given the source of funding. If you have any questions regarding these Activity values and their corresponding A-21 codes, please contact the FAS Application Security group as they are responsible for the management and creation of these Activity values. Examples of generic Activity values created for each of these functional categories for Tubs 370 and 385 are outlined in the Appendix of this guide.

THE A-21 FUNCTIONAL CATEGORIES

A01 – Instruction & Departmental Research is to be used for the following three types of activities:

- (A) **Instruction** includes activities related to the professional and educational programs in the FAS, such as the formal teaching of classes, advising of students, educational committee meetings, and course preparation.

Examples include:

- Faculty compensation
- Undergraduate and graduate coordinator salaries
- Expenses related to instructional support
- Lectures, seminars, conferences, workshops and symposia primarily attended by students and academic scholars
- Expenses related to Tozier awards for instruction (unrestricted undesignated fund 000765)

- (B) **Departmental Research** is research supported by University, FAS, or department funds, in the unrestricted, gift, or endowment range, that does not have a defined scope of work and period of performance; a strict line-item budget detailing expenditures by activity, function, and project period; a specific commitment regarding deliverables and the level of personnel effort; or formal reporting requirements.

Examples include:

- Expenses related to research from faculty start-up funds (unrestricted undesignated funds 000770 & 000775)
- Expenses related to research from royalty funds (departmental unrestricted designated funds)
- Expenses related to research funded by gift or endowment funds, where there is no competition and no regular reporting requirement by the donor
- Expenses related to Clark awards for research (unrestricted undesignated fund 000765)

- (C) **Other Sponsored Training** is any sponsored training that is NOT categorized as Research Training under A02 – Organized Research below, such as NSF Research Experiences for Undergraduates (REU) supplements. These Activity values are created and managed *via* the GMAS system and should be used with their defined sponsored fund, or with a non-sponsored fund in the case of specific cost-sharing arrangements on the project.

A02 – Organized Research is to be used for research projects that are supported by the federal government or sponsors other than the federal government (including internally funded “University research” projects) and are **separately budgeted and accounted for** on an individual-project basis.

Organized Research projects fall into one of the following three categories:

(A) Sponsored Research is research activities that are separately budgeted and accounted for and supported by federal or non-federal agencies and organizations. Activity values for sponsored research are created and managed through the GMAS system and should be used with their defined sponsored fund, or with a non-sponsored fund in the case of specific cost-sharing arrangements on the project.

Examples include:

- Research grants and contracts to individual principal investigators
- Program project grants

(B) Research Training is the training of individuals in research techniques where such activities utilize the same facilities as other research activities. Activity values for research training are also created and managed through the GMAS system and should only be used with their defined sponsored fund, except in the case of specific cost-sharing arrangements on the project.

Examples include:

- NIH NRSA fellowships
- NIH training grants
- Postdoctoral fellowships

(C) University Research is research activities that are separately budgeted and accounted for, but supported by internal Harvard funds. These projects have two or more characteristics similar to externally sponsored research awards, such as a competition for award disbursement; a defined scope of work and period of performance; a strict line-item budget detailing expenditures by activity, function, and project period; a specific commitment regarding deliverables and the level of personnel effort; and formal reporting requirements. University research Activity values are created and managed by the FAS Application Security group and should not be used in conjunction with sponsored funds.

Examples include:

- Milton Fund awards
- Provost’s Research Enabling Grants

A03 – Other Sponsored Activities is to be used for programs and projects financed by federal and non-federal sponsors that involve the performance of work other than instruction and organized research. All A03 Activity values are created and managed through the GMAS system and should be used with their defined sponsored fund, or with a non-sponsored fund in the case of specific cost-sharing arrangements on the project.

Examples include:

- Expenses associated with sponsored agreements for the preservation, maintenance, and/or cataloging of collections, archives, equipment, or facilities
- Expenses associated with sponsored agreements for conferences and symposia
- Expenses associated with sponsored agreements for community service programs

A04 – Other Institutional Activities is to be used for activities outside of instruction, research, other sponsored activities, and activities defined by any of the other A-21 codes outlined below.

Examples include:

- All costs identified as "unallowable" on sponsored agreements. For a description of all unallowable costs on sponsored projects, see section VII.B of [Managing Your Research](#).² The use of an A04 Activity value negates the need for coding transactions to expense object codes in the 8450 to 8459 range (Expenses Ineligible for Federal Reimbursement); these object codes should only be used if an A04 Activity value is not available.
- Lectures, seminars, conferences, workshops, symposia, and events attended primarily by the general public
- Promotional materials for departmental programs
- Public museums
- Publications for resale
- Community service programs

A04-1 – Fundraising is to be used for all fundraising expenses. Where a department has significant fundraising activities, the creation of a separate Org value to manage these activities may be desirable.

Examples include:

- Inducing potential donors to contribute money, securities, services, materials, facilities, or other assets
- Publicizing and conducting fundraising campaigns
- Maintaining donor mailing lists
- Conducting special fundraising events, such as lectures or dinners
- Preparing and distributing development manuals, instructions, and other materials
- Conducting other activities involved with soliciting contributions from individuals, foundations, governments, and others

A05 – Service Centers/Recharge Facilities is to be used for business units, generically referred to as "Service Units" at Harvard, that provide goods and services for fees to internal, and often also to external customers. Services may range from highly specialized to typical or necessary.

Examples include:

- UIS
- Animal-care facilities
- Machine shops

A07 – Departmental Administration is to be used for those expenses incurred for administrative and supporting services that benefit common joint departmental activities or objectives in academic deans' offices, academic departments and divisions, and organized research units.

Examples include:

- Expenses related to the general support of academic departments and research centers
- Administrative training (e.g., MS Excel class, HTML tutorial)
- Administrative salaries (e.g., department administrator, financial assistant, department personnel officer, IT personnel)

² <http://www.fas.harvard.edu/~research/managing.html>

A09 – Student Administration and Services is to be used for those expenses incurred for administration of student affairs and services.

Examples include:

- Expenses related to the Office of the Dean of Students, Admissions Office, or Office of the Registrar
- Counseling and placement services
- Commencements and convocations

A10 – Operations and Maintenance is to be used for all costs associated with the administration, supervision, operation, maintenance, preservation, and protection of the institution's physical plant.

Examples include:

- All non-CIP costs incurred by the FAS Office of Physical Resources
- Janitorial and utility services
- Repairs and normal alterations of buildings, furniture, and equipment
- Maintenance, care, and operation of buildings, grounds, and other plant facilities
- Security, environmental safety, and disaster preparedness expenses
- Property, liability, and all other insurance relating to property
- Space and capital leasing
- Facility planning and management
- Central receiving

A11 – Library is to be used for those expenses that have been incurred for the operation of the libraries, including books and library materials. Costs incurred for the purchases of rare books (museum-type books) with no value to sponsored projects should not be allocated to those awards.

A15 – Scholarships and Student Awards is to be used for the costs of scholarships, awards, grants, and stipends for undergraduate and graduate students.

APPENDIX: GENERIC ACTIVITY VALUES

Tub 370 Generic Activity Values		
Activity Value	Activity Description	A-21 Code
600200	FCOR XT^Instr+Departmental Rsch (A01)	A01
600220	FCOR^Organized Research (A02)	A02
600300	FCOR^Other Institutional Activities (A04)	A04
600320	FCOR^Fundraising (A041)	A04-1
600100	FCOR XT^Departmental Admin (A07)	A07
600310	FCOR^Student Svcs+Activities (A09)	A09
600140	FCOR^Operation+Maintenance Expenses (A10)	A10
600315	FCOR^Scholarships and Student Awards (A15)	A15

Tub 385 Generic Activity Values		
Activity Value	Activity Description	A-21 Code
645050	FMUS^Instr+Departmental Rsch (A01)	A01
645055	FMUS^Organized Research (A02)	A02
645070	FMUS^Other Institutional Activities General (A04)	A04
645040	FMUS^Departmental Admin (A07)	A07
645060	FMUS^Facilities Operations + Admin (A10)	A10
645075	FMUS^Library General (A11)	A11