Cost Flexibilities for Sponsored Projects Impacted by COVID-19

April 29, 2020

House Keeping Notes

- **Please stay muted, <u>turn off</u> your video and do not share files (Thank you!)**
- The slides are posted on the ASRSP COVID-19 webpage. See the announcement in Chat or go to *https://www.northwestern.edu/asrsp/expenses/covid-19-affected-sponsored-projects---cost-allowability.html*
- If your internet connection becomes unstable, you can disconnect from Zoom, open the slides locally; then, dial in using the contact info from the registration confirmation email
- If zoombombing occurs, we will immediately shut down the webinar and reschedule
- Please use the Chat function to send your questions
- If your question does not get answered due to time limit, please send your question to jmitchell@northwestern.edu and we will address after the webinar

Cost Flexibilities for Sponsored Projects Impacted by COVID-19

- COVID-19 Webinar Series -
ASRSP & Office of Cost Studies
April 29, 2020

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Before We Start

The content provided during this webinar represents information that is current as of April 24, 2020 and it is subject to change per further guidance from Federal agencies. As the Office of Management and Budget (OMB) and other sponsoring agencies continue to provide regulations and updated guidance, ASRSP will update the information and provide further guidance via the ASRSP website, communication, or additional webinars as needed.

For more information regarding sponsored charges impacted by COVID-19, visit the ASRSP and Office of Cost Studies COVID-19 web pages:

https://www.northwestern.edu/asrsp/expenses/covid-19-affected-sponsored-projects---cost-allowability.html

(ASRSP COVID-19 Webpage)

https://www.northwestern.edu/coststudies/secure-docs/effortreference.html

(Cost Studies Secure Webpage - Net ID required)

What we will cover today

- What agencies have granted cost flexibilities and what are the general trends?

- What are considered exceptions to the current Federal Cost Principles, for which pre-approvals may be required per agency guidance?

- When is a COVID-19 payroll justification form required and what's considered "Idle Time"?

- When is a COVID-19 stipend justification form required and what are other considerations?

- Other direct expenses that are exceptions to the current cost principles and require justifications

- Q&A

COVID-19 is having a tremendous impact on the way research institutions are conducting their daily activities

Government

COVID-19 Public Health Emergency retroactive to January, 2020

- DHHS declares a public health emergency for the entire United States in responding to the 2019 novel coronavirus
- NIH allows pre-award costs retroactive to January 20 (NOT-OD-20-086)
- IL Stay-at-Home Order began on March 21

Northwestern

March 19
Northwestern moved to essential personnel only onsite

NU COVID-19 website; Guidance from Federal agencies:
- OMB M-20-11 (3/9)
- **OMB M-20-17 (3/19)**
- OMB M-20-20 (4/9)
- OMB M-20-21 (4/10)
- **NIH NOT-OD-20-086 (3/12)**
- **NSF Implementation to M-20-17**
- DOD
- Others

ASRSP

April 3
COVID-19 Cost Flexibilities for Sponsored Projects Policy, guidance, tools

- ✓ **Amendment to Charging Sponsored Projects: Policy for Sponsored Projects Impacted by COVID-19**
- ✓ **FAQs (6 pages)**
- ✓ Guidance and 3 Justification Forms:
  1. **Payroll**
  2. **Stipend**
  3. **Other Direct Costs**

ASRSP

April, 2020 & Going Forward
Updated guidance, webinars, training

- ✓ **Analysis of Cost Flexibilities per Sponsor Guidance**
- ✓ **Guidance on "Idle Time"**
- ✓ **Webinars**
- ✓ Continuous updates and training will be provided

OMB M-20-17 and NIH-OD-20-086

OMB M-20-17

Administrative Relief for Recipients and Applicants of **Federal Financial Assistance** Directly Impacted by the Novel Coronavirus (COVID-19) due to Loss of Operations:

- Applicable to grants and cooperative agreements (contracts <u>not</u> included)

- Provides **short term relief (90-day review period)**

- **<u>Federal awarding agencies</u>** are authorized to allow cost flexibilities. <u>If allowed</u> by the Federal sponsor for grants and cooperative agreements:

  – Salaries and other project activities

  – Costs not normally chargeable to awards

NIH-OD-20-086

Allowing pre-award costs to be incurred from <u>January 20, 2020</u> through the public health emergency period

- Salary

- Stipends - Recipients should **<u>notify</u>** the assigned grants management official, and provide documentation

- Travel, Meeting, and Conferences

Documentation:

- Entities that are affected will be asked to provide **<u>documentation to NIH describing the effects, and how long their facility and NIH related research was and/or will be affected</u>**.

What Costs Require Prior Approval?

COVID-19 impacted costs requiring prior approval are defined as ***non-refundable costs (e.g., non-refundable travel/registration fees/services), reported idle time, or other direct costs that are exceptions to the Federal cost principles per Uniform Guidance***.

Typical costs that are expended on the project and in compliance with the Federal cost principles per Uniform Guidance <u>do not</u> require prior approval.

Only when exceptions occur and the sponsor requires discussion/pre-approval, a prior approval is needed. The following sponsors require prior approval as of today: **Federal contracts, DOE/OJP cooperative agreements, and most non-Federal agencies**

Policy for Sponsored Projects Impacted by COVID-19:
https://www.northwestern.edu/coststudies/docs/amendment-to-charging-sponsored-projects-policy-covid19.pdf

Cost Flexibilities per Sponsor Summary

Screenshot of COVID-19 Cost Flexibilities per Sponsor Summary:

Sponsor Category	Agency	Division	GCFA Contact	Flexibilities on Charges				Notes for Departments	Date Updated	References or Comments
				Allow	Sile	Not Allow	May			
Fed	OMB guidance for Federal public assistance programs (grants and cooperative agreements, except certain cooperative agreements; see details below)	OMB	Jennifer Mitchell	Y				Overall guidance to Federal awarding agencies for grants and cooperative agreements; granted flexibilities to sponsoring agencies per memo M-20-17.	3/20/2020	https://www.whitehouse.gov/wp-content/uploads/2020/03/M-20-17.pdf
Fed	OMB guidance for Federal contracts	OMB	Jennifer Mitchell				Y	Prior approval required	3/20/2020	https://www.whitehouse.gov/wp-content/uploads/2020/03/M-20-18.pdf
Fed	NIH Grants		Felice Patterson	Y				Allowed - With proper documentation	3/26/2020	https://grants.nih.gov/grants/guide/notice-files/NOT-OD-20-086.html
Fed	NSF		Suseela Gopikanth	Y				Allowed - With proper documentation	3/20/2020	https://www.nsf.gov/bfa/dias/policy/covid19/covid19_nsfombimplementation.pdf
Fed	DoD		Elizabette Rischall	Y				Allowed - With proper documentation	3/30/2020	https://basicresearch.defense.gov/COVID-19/Frequently-Asked-Questions/
Fed	CDMRP	USAMRAA	Elizabette Rischall	Y				Allowed - With proper documentation	3/31/2020	https://www.usamraa.army.mil/Pages/COVID-19.aspx
Fed	DoE		Jacky Sancen	Y			Y*	Except cooperative agreements - allowed with proper documentation. For cooperative agreements, prior approval required	4/8/2020	https://www.energy.gov/management/downloads/pf-2020-20-covid-19-guidance-financial-assistance-actions https://www.energy.gov/sites/prod/files/2020/03/f73/COVID-19%20Attachment%201%20DOE-NNSA%20FA%20Guidance%20to%20COs.pdf
Fed	DoED		Elizabette Rischall	Y				Allowed - With proper documentation	3/20/2020	https://www2.ed.gov/about/offices/list/oig/nonfed/singleaudits.html
Fed	DoED	IES	Elizabette Rischall	y				please refer to the Q&A link for complete		https://ies.ed.gov/Covid_FAQ.asp
Fed	FDA		Felice Patterson	Y				Allowed - With proper documentation	3/30/2020	https://grants.nih.gov/grants/guide/notice-files/NOT-FD-20-019.html
Fed	National Endowment for the Humanities (NEH)		Elizabette Rischall	Y				Through June 30, 2020, NEH will reimburse recipients for nonrefundable project-related travel expenses.	4/1/2020	https://www.neh.gov/COVID19_FAQs
Fed	Office of Justice Programs (OJP)		Colleen Hull	Y			Y*	Except cooperative agreements - allowed with proper documentation. For cooperative agreements, prior approval	4/10/2020	https://www.ojp.gov/funding/grantee-update-2-guidance-short-term-administrative-relief-grantees-impacted-covid-19
Fed	SAMHSA		Felice Patterson	Y				Allowed - With proper documentation	4/10/2020	https://www.samhsa.gov/sites/default/files/covid-19-faqs-samhsa-discretionary-grant-recipients.pdf
Fed	CDC		Lorilei Cooley	Y				Allowed - With proper documentation	4/10/2020	https://www.cdc.gov/grants/public-health-emergencies/covid-19/flexibilities-available-applicants-recipients/index.html
Fed	NASA		Suseela Gopikanth	Y				Allowed - With proper documentation	4/10/2020	https://prod.nais.nasa.gov/pub/pub_library/srba/documents/NASAs_Implementation_of_M-20-17_COVID-19.pdf
Fed	NIFA		Elizabette Rischall	Y				Allowed - With proper documentation	4/10/2020	https://nifa.usda.gov/sites/default/files/resource/NIFA-20-006-Coronavirus-OMB-M-20-17-04092020.pdf
Fed	NEH		Maria Jimenez	Y				Allowed - With proper documentation	4/10/2020	https://www.neh.gov/COVID19_FAQs
Fed	NEA		Maria Jimenez	Y				Non-refundable travel allowed with	4/10/2020	https://www.arts.gov/COVID-19-FAQs

COVID-19 Cost Flexibilities per Sponsor

- Information valid as of April 24, 2020
- For details, review Cost Flexibilities per Sponsor Summary
- To submit a prior approval request, utilize the OSR Change Request workflow. To expedite the process, please also contact the agency directly to receive email approval

	Allowed	Maybe (Prior Approval Needed)	Silent (Prior Approval Needed)	Not Allowed
Federal	Grants, cooperative agreements (except DOE and OJP)	DOE & OJP cooperative agreements		
Non-Federal	AHA: payroll for first 60 days; travel cost flexibilities allowed	Some sponsors	Most sponsors	GM, PCORI, CHDI

Payroll Justification and Reporting "Idle Time"

- Applicable to Federal grants, cooperative agreements (except DOE and OJP), AHA (first 60 days)
- Prior approval needed: Federal contracts, DOE & OJP cooperative agreements, and most non-Federal sponsors (<u>few have disallowed cost flexibilities</u>)
- <u>Not Allowed</u>: See [ASRSP Cost Flexibilities per Sponsor Summary](#)
- See [Guidance for Use of "Idle Time"](#) for more details

Justification Not Needed	Justification Needed
• Working remotely (e.g., home or off-campus location) • Work on data analysis, manuscript, progress/technical report, new or existing protocol • Remote training on new techniques or analyses benefiting the project • Training directly benefiting the project • Incidental sick or vacation leave per HR policy	• No work can be performed by the employee on the project from an off-campus location • Work has stopped because it requires access to a lab temporarily unavailable • Work has stopped because it requires access to equipment/technology not accessible to the employee • Donation of time/effort to support COVID-19 <u>emergency response activities</u>, instead of working on the sponsor-funded project; prior approval recommended (see OMB M-20-20)

Payroll Justification and Guidance

Screenshot of [Payroll Justification Form](#):

COVID-19 Justification Form for Sponsored Payroll Charges

If a justification is required per the guidance, please complete the form below to support Effort certifications and non-exempt payroll charges. The department should review and update (as needed) this form monthly but no less than quarterly, and maintain it at the department level for internal controls. Name the file per the following convention: "COVID-19_Sponsored Payroll Justification_SPXXXXXX". When COVID-19 no longer affects this award, please finalize the form.

Date This Form Last Updated (xx/xx/yyyy):		Form Entered By:		School:
Department:		PI name:		Date PI Reviewed:
Northwestern Award Number (SP#):		Sponsor Name:		
Effects on this award due to COVID-19:				
Overall duration the facility and impacted research or activities was and/or will be affected (start and end dates of COVID-19 impact on this award):	From: (xx/xx/yyyy)	To: (xx/xx/yyyy)		

Date PI confirmed the Idle Time

-Impacted Employees (see guidance on previous tab):

- Provide impact start and end dates applicable to each individual (whether same or different than overall duration), and the project IDs the related salary was charged to. Additional description of specific impacts on individual employees may be provided if relevant.

- For exempt employees, in addition to completing this justification, a note should be included on impacted effort reports per the following template: "This report includes payroll affected by COVID-19 (list project #s e.g., 60054321). Detailed documentation is provided by the department for each impacted Award # (list SP Records, e.g., SP0012345)."

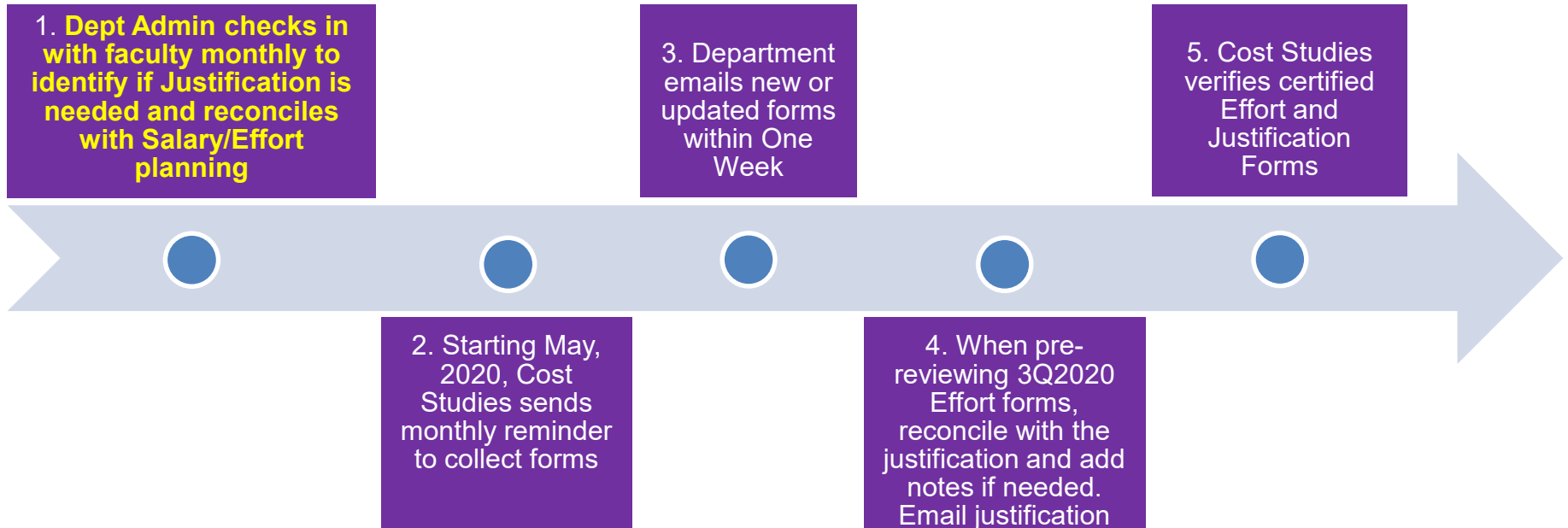| Full Name	Employee ID	Impact Start Date	Impact End Date	Exempt/Non-exempt	Project ID(s) Impacted	Date Prior Approval Obtained (if needed)?	Additional Description for the Individual if Needed

When Effort is certified, a note must be entered per the Impact Start/End Dates for the exempt employee

Poll Question

If you are an Academic Department Business Administrator responsible for managing your department's post award operations, please respond to the following question:

For <u>Sponsored Payroll Charges</u> and Effort Certification, do you anticipate that your department may report idle time in April and May? Please select one answer for April and one answer for May.

Payroll Justification and Effort Reporting – Internal Controls

1. **Dept Admin checks in with faculty monthly to identify if Justification is needed and reconciles with Salary/Effort planning**

3. Department emails new or updated forms within One Week

5. Cost Studies verifies certified Effort and Justification Forms

2. Starting May, 2020, Cost Studies sends monthly reminder to collect forms

4. When pre-reviewing 3Q2020 Effort forms, reconcile with the justification and add notes if needed. Email justification

Workflow	Additional Details
1	**Please check in with faculty and reconcile Monthly; maintain the documentation.** References: Guide for Use of "Idle Time" and Cost Flexibilities per Sponsor
3	Central Effort Coordinator will review required fields and email the department if needed.
4	Consistency between Certified Effort and Justification Forms is crucial; Enter a note in the Notes field of the Effort form during pre-review when a justification is needed.

Stipend Justification

Justification Not Needed	Justification Needed
• Fellow/trainee continues working or participating remotely in program training activities on the sponsored project according to designated stipend level (e.g., home or off-campus location) • Stipends can continue to be charged during sick leave, per the sponsor's policy (i.e. NIH NRSA awards allow up to 15 calendar days/year)	• If not able to work or participate in training activities on the sponsored project, sponsor's prior approval and justification form required • If sick time exceeds maximum time allowed per award, sponsor's prior approval & justification form required • Review NIH [NOT-OD-20-086](#), requirements for Stipends

Stipend Justification Form

COVID-19 Justification Form for Sponsored Stipend Charges

If a justification is required per the guidance, please complete the form below to support stipend charges. The department should review and update (as needed) this form monthly, but at minimum no less than quarterly, and maintain it at the department level for internal controls. Name the file per the following convention "COVID-19_Sponsored Stipend Justification_SPXXXXXX"

Date This Form Last Updated (xx/xx/yyyy):		Form Entered By:	School:
Department:		PI Name:	Date PI Reviewed:
Northwestern Award Number (SP#):		Sponsor Name:	
Effects on this award due to COVID-19:			
Overall duration the facility and impacted training activities was and/or will be affected (start and end dates of COVID-19 impact on this award):	From: (xx/xx/yyyy)	To: (xx/xx/yyyy)	

-Impacted Fellows/Trainees (see guidance on previous tab):

-Provide impact start and end dates applicable to each fellow/trainee (whether same or different than overall duration), and the project IDs the related stipend was charged to.
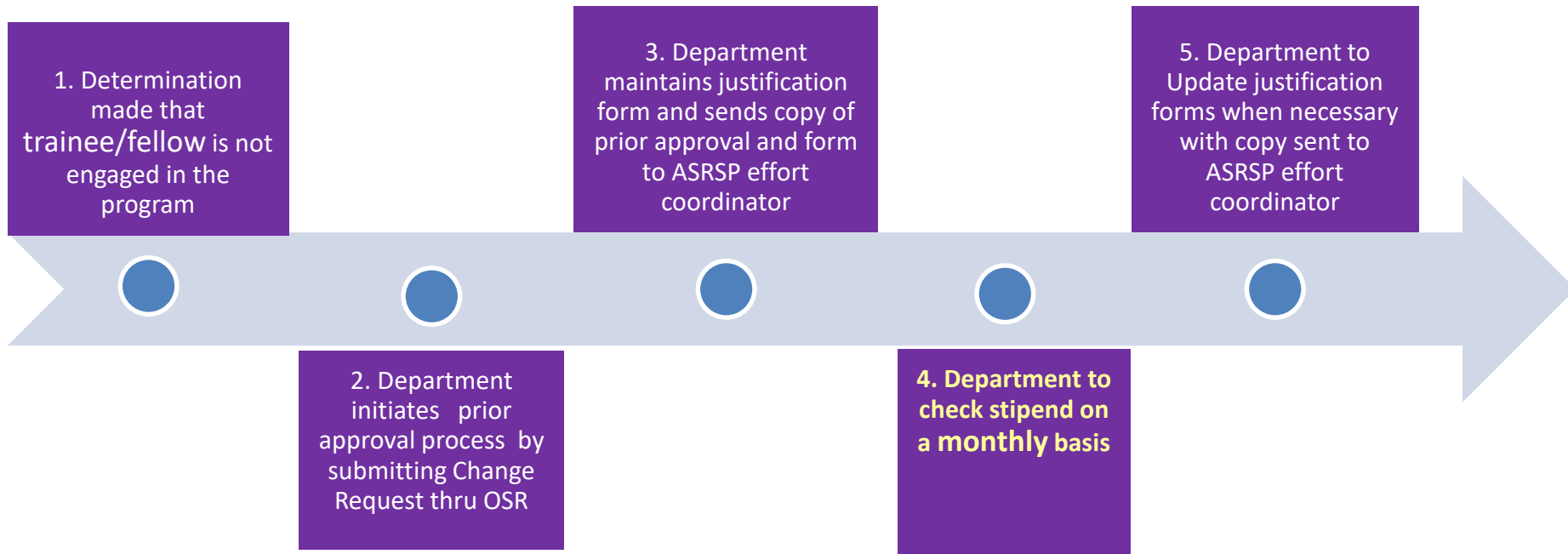
- In addition to maintaining this justification form, please note that prior approval is required to charge stipend (all sponsors). Please submit your prior approval request to the Office for Sponsored Research using the InfoEd Change Request module, and document below when approval is received.

Full Name	Student/ Employee ID	Impact Start Date	Impact End Date	Project ID(s) Impacted	OSR Prior Approval Change Request #	Sponsor Approval Date	Additional Description for the Fellow/Trainee if Needed

NIH NRSA Stipends – Additional Guidance

- Prior approval request to NIH for trainees/fellows unable to participate in the program due to COVID-19:

    -- Must notify the GMS about each impacted fellow/trainee
    -- Document the effect & length of time NU was affected by COVID-19

- If there is a substantial impact on the planned research training/activities on an NIH training grant or individual fellowship, NIH will consider an extension request.

- If not possible to fill all training slots on an NIH T32/T35 due to COVID-19, carryover of unused funds may be possible, per NOT-OD-20-086. Please contact the NIH grants management specialist.

Stipend Justification, Workflow, and Internal Controls

1. Determination made that trainee/fellow is not engaged in the program

2. Department initiates prior approval process by submitting Change Request thru OSR

3. Department maintains justification form and sends copy of prior approval and form to ASRSP effort coordinator

4. Department to check stipend on a monthly basis

5. Department to Update justification forms when necessary with copy sent to ASRSP effort coordinator

2. PI may also reach out directly to the sponsor for prior approval to help expedite the process

3. Justification should be maintained within the department. The Effort team will send monthly reminders to request copies of the justification updates for audit purposes.

5. When the project is closed, send the finalized justification form to effort@northwestern.edu .

Award Closeout and Other Direct Cost Exceptions

➢ Per OMB guidance, awarding agencies may approve additional time for submission of final closeout reports. Proper notification must be submitted. Extensions limited to 1 year after the award end date, if needed.

- – If justifications are required for awards with end dates in March or April of this year, please check in with your GCFA right away
- – Review and reconcile the award before closeout to make sure that any required justifications are complete and on file

➢ Other Direct Cost <u>Exceptions</u>:

- – Non-refundable costs for travel, services, & lab supplies that would have otherwise been not allowable
- – Costs related to the pausing and restarting of grant activities due to the health emergency

Non-Refundable Travel Costs

➢ Every attempt should be made to obtain a refund if the activity, such as travel or a conference, is cancelled.

➢ Download the COVID-19 Justification Form for Non-Payroll Charges located on the ASRSP webpage: https://www.northwestern.edu/coststudies/secure-docs/effortreference.html.

Tab. 1 **-** provides guidance regarding required supporting documentation

Tab. 2 - form that needs to be filled out and attached to the expense report or payment request

Guidance

Justification for Sponsored Non-Payroll Charges Impacted by COVID-19	ASRSP | Northwestern
	Version 1.1 - April 7, 2020

Per the Federal regulations related to COVID-19 and Northwestern's Amendment to Charging Sponsored Projects: Policy for Sponsored Projects Impacted by COVID-19, non-refundable costs associated with sponsored project related travel, conference fees, services, and other non-payroll direct costs that were ordered for the benefit of these awards are allowable on sponsored projects impacted by COVID-19, unless the sponsoring agency of a project does not allow the charges per the sponsor's notice. Every attempt should be made to obtain a refund if the activity, such as travel or a conference, is cancelled.

Guidance

When submitting an expense report/payment request for non-refundable costs, please attach the following documentation in addition to the current documentation practice (invoice, payment, benefit to the grant etc.):

1. Notification that the event/conference was cancelled
2. Communication from an airline, hotel, or event sponsor that the entity has declined to issue a refund (if applicable)
3. Sponsor announcement or approval that non-refundable costs may be charged to the award. For example, NIH Notice Number: NOT-OD-20-086
4. COVID-19 Justification form (Tab.2)

Other Considerations:

- If airfare or hotel costs were directly charged to a sponsored project and a refund was processed, the refund must be credited back to the original chart string.

- If a Pcard was used to pay for conference fees/other travel related activities and a refund was issued, the refund must be credited back to the original chart string, regardless of Federal or non-Federal sponsor.

- Travel credit/voucher:
 a. If a travel credit/voucher has been granted for any of the travel expenses affected by COVID-19 and travel for the same project is feasible in the future, the traveler is required to use the credit/vouchers for future travel related to the project in which it was charged. The cost will stay on the project.
 b. If a travel credit/voucher has been granted for any of the travel expenses affected by COVID-19 and travel for the same project is not feasible in the future, the cost will stay on the project.
 c. If the credit/voucher is used for travel related to a different project, then the a correction journal must be processed to move the cost from the original project to the project where the travel credit/voucher is used.
 d. If the credit/voucher is used for personal use, the traveler must reimburse the University for the cost of the ticket.
 Documentation should be maintained to support the cancelled travel and will be required if the credit/voucher will be used to support travel on a different sponsored project.

Justification Form

COVID-19 Justification Form for Sponsored Non-Payroll Charges

When submitting an expense report/payment request for non-refundable costs, please attach the following documentation in addition to the current documentation practice (invoice, payment, benefit to the grant etc.):

1. Notification that the event/conference was cancelled
2. Communication from an airline, hotel, or event sponsor that the entity has declined to issue a refund (if applicable)
3. Sponsor announcement or approval that non-refundable costs may be charged to the award. For example, NIH Notice Number: NOT-OD-20-086
4. This justification form

NU Award Number (SP00XXXXX)			
Department:		**Form Entered by:**	**Date (xx/xx/yyyy):**
Effects on this award due to COVID-19:			
Activity affected (travel, conference, services, etc.)			
Overall duration activities was and/or will be affected	From (xx/xx/yyyy): To (xx/xx/yyyy):		

Charges Related to Cancelled Activity:

Name of Participant	Flight			Hotel			Conference Fees		Other Activities		Additional information if needed
	Cost	Refund (Y/N)	Cancellation Fee	Cost	Refund (Y/N)	Cancellation Fee	Cost	Refund (Y/N)	Cost	Refund (Y/N)	

If a travel credit/voucher was issued, please attest to the following statement:

I will not use the travel credits for personal travel. In the event that I use it for personal travel, I will reimburse the University for the cost of the ticket.

Traveler's name _____
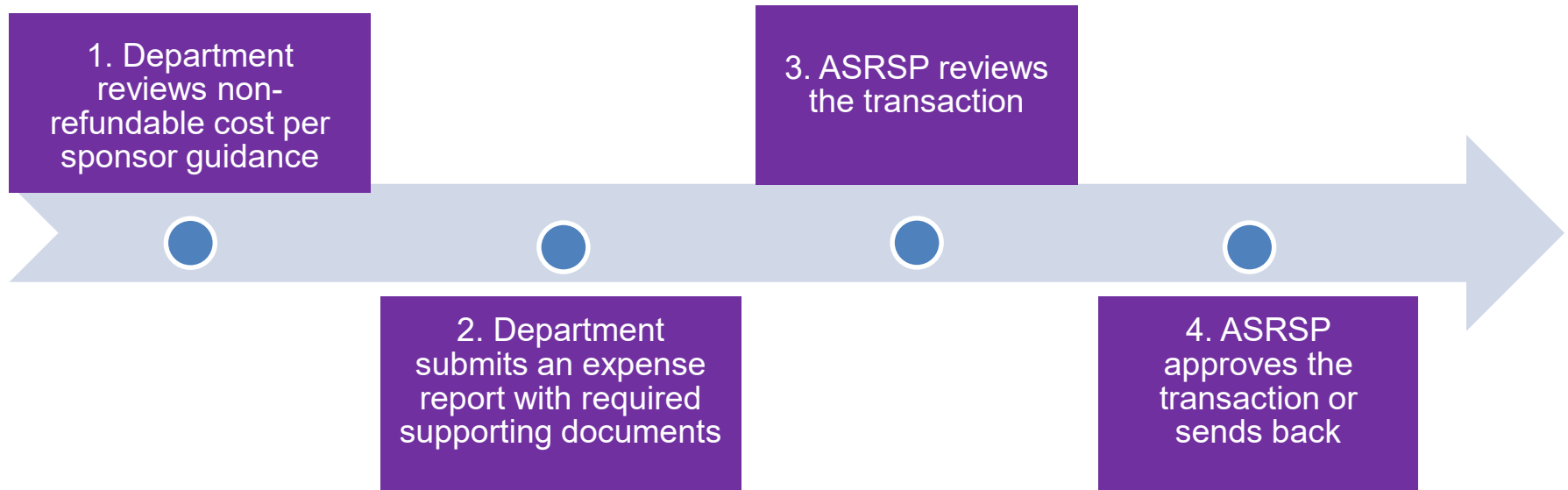
Traveler's signature _____

Signature date _____

Travel Credits

➢ Travel credits are issued in the traveler's name

➢ If possible, travel credits should be used for future travel on the same project; travel expense and credit remain on the same chartstring until further used

➢ If the travel credit used for travel is related to a different project, then a correction journal must be processed to move the cost from the original project to the project where the travel credit is used.

➢ If the travel credit is used for personal use, the traveler must reimburse the University for the cost of the ticket.

➢ **The traveler must sign the certification statement at the bottom of the justification form.**

Refunds

➢ If a Pcard was used to pay for conference fees/other travel related activities and a refund was issued, the refund must be credited back to the original chartstring

➢ If a **partial** refund was issued and the remaining amount is staying on the chartstring, the justification form and required supporting documents must be attached for the remaining amount

➢ If airfare or hotel costs were **directly charged** to a sponsored project and a refund was processed, the refund must be credited back to the original chart string.

➢ If travel credit was issued for a directly charged flight, make sure to collect all required supporting documents, **including the certification statement signed by the traveler**. During the closeout of the award, these documents will be reviewed.

Other Direct Costs Approval Workflow and Internal Controls

1. Department reviews non-refundable cost per sponsor guidance

2. Department submits an expense report with required supporting documents

3. ASRSP reviews the transaction

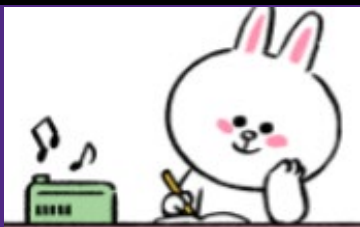**4. ASRSP approves the transaction or sends back**

1. Review expenses and obtain sponsor approval (except for Federal grants/most cooperative agreements and AHA where the agencies allowed non-refundable costs). See COVID-19 Cost Flexibilities per Sponsor Summary for additional details. For Flow-through awards, obtain the approval from the pass-through entity if the prime allows cost flexibilities (as of April 24, 2020).

2. Submit an expense report/payment request/journal for non-refundable costs. Attach the justification form and all required documents per guidance.

3. ASRSP reviews the transaction.

4. ASRSP approves or sends back the transaction if additional documents are needed.

Resources for COVID-19 Cost Flexibilities

- ASRSP: [COVID-19 Webpage](#)
- Cost Studies: [Secure Webpage for Guidance and Forms](#) (Valid NetID required)
- Office for Sponsored Research: [COVID-19 Information for Sponsored Research Administration](#)
- COGR: [Compiled Institutional and Agency Responses to COVID-19 and Additional Resources](#)
- University-wide: [Coronavirus/COVID-19 Updates](#)
- NIH: https://grants.nih.gov/faqs#/covid-19.htm

Q&A

Thank You!