

## Cost Allowability for Sponsored Projects Impacted by COVID-19 – Frequently Asked Questions

**SALARIES AND WAGES** (applicable January 20, 2020 through September 30, 2020 [additional approval and documentation required 06/17/20-09/30/20 – see “When is a payroll justification form required?” below])

- ***Is the effort of project personnel working remotely during self-isolation or campus closure allowed to be charged to a grant?***

If an employee is working remotely, and is able to continue working on the sponsored project, then salary can be charged commensurate with the level of activity.

If an employee is working remotely, and is not able to work on the sponsored project, but can work on a different sponsored project or a department project instead, then salary should be moved to where the work is occurring, with distribution commensurate with the level of activity on each chartstring.

- ***What if I am sick and unable to work on my grant project? Can my salary still be charged to the grant?***

If an employee is not able to work because of illness (including COVID-19), the Northwestern sick time policy applies. Paid sick time may be charged allocably and consistently to the current funding source(s), whether Federal or non-Federal. For details, please see:

<https://www.northwestern.edu/hr/benefits/leaves-holidays/sick-time/>

- ***Can I continue to charge the salary and fringe benefits of lab staff personnel to my funded project even if they are unable to work due to the impact of the COVID-19 outbreak on the University?***

If an employee is not able to work (idle) on a sponsored project due to COVID-19 circumstances and is on a paid work status, the salary can be charged to the active sponsored project according to the payroll distribution and/or planned effort in place prior to the COVID-19 impact start date and the COVID-19 Justification form (see next tab) is required. This Justification must be completed on the award and project level to document the effects and their start/end dates for all impacted employees paid on the award.

For staff whose work cannot be performed at home, managers should consider whether they can be reassigned to duties that can be performed at home or relieve others who are working on campus. If work can be performed on a different sponsored project, salaries should be charged as appropriate.

Please note that not all sponsors have granted exceptions to charge sponsored projects and some may have specific direction for certain funding mechanisms. For example, the approved flexibilities in place for NIH grants do not apply to NIH contracts. The NIH Contract Officer must be contacted for pre-approval of any exceptions. In addition, most industry and foundation sponsors require prior communication and approval. The department should work with Office for Sponsored Research to communicate with the sponsor in such circumstances.

- ***If an employee is participating in e-learning/training when unable to work on the sponsored project, can the individual's salary be charged to the project?***

If e-learning/training is needed for the employee to successfully conduct his/her remote work and the training benefits the project, their salaries/wages/fringe benefits can be charged to the project.

If e-learning/training is not needed (not benefitting the project), and the employee is scheduled to work on the research project on a paid work status, refer to the Amendment to Charging Sponsored Projects policy to determine if the payroll can be charged to the sponsored project. For NIH contracts and most foundation awards, prior approval is required. For agencies that have granted flexibility on sponsored charges according to OMB [M-20-17](#) (01/20/20-06/16/20) and/or [M-20-26](#) (06/17/20-09/30/20), this charge is allowable. If allowed, please document the charges using the COVID-19 payroll justification form.

➤ ***When is a payroll justification form required?***

If an employee is not able to work (idle) on a sponsored project due to COVID-19 circumstances and is on a paid work status, the salary can be charged to the active sponsored project according to the payroll distribution and/or planned effort in place prior to the COVID-19 impacted start date **provided** the required COVID-19 Justification Form for Sponsored Payroll Charges is completed. This justification must be completed on the award and project level to document the effects and their start/end dates for all impacted employees (exempt and non-exempt) paid on the award.

The payroll justification form should be used for documenting COVID-19 impacted exempt and non-exempt compensation for personal services only; documentation for stipend charges should be maintained separately using the COVID-19 Justification Form for Stipend Charges.

**For idle time incurred 06/17/20-09/30/20, please note:** Dean's Office approval will be required as well as description & supporting documentation for why department or discretionary funds are not available for funding the idle time instead. The additional approval step and requested supporting documentation is in response to federal guidance in the Office of Management and Budget [M-20-26](#), released June 18<sup>th</sup>.

**For NIH contracts, please note:** Per [NIH Guidance](#), "Contracts must be handled on a case by case basis. Details regarding any contract must be directed to the cognizant Contracting Officer. Salary changes must be handled by the contracting officer." Recipients should contact their NIH contracting officer for guidance since written pre-approval will be required to charge salaries for the idle time.

➤ ***How often do I need to review and reconcile the justification?***

If documentation is required per the guidance, please complete a payroll justification form for each impacted award upon identification of COVID-19 impacted payroll charges. ASRSP recommends that departments review and update (as needed) forms for all impacted awards monthly, but no less than quarterly. Maintain forms at the department level for internal controls, and name files per the following convention: "COVID-19\_Sponsored Payroll Justification\_SPXXXXXX". When COVID-19 no longer affects an award, please finalize the related form.

On a monthly basis, ASRSP will send an email reminder to the research community to review (and update as needed) payroll justifications. The departments, then, should email the completed or updated justifications to [effort@northwestern.edu](mailto:effort@northwestern.edu).

➤ ***How is ASRSP monitoring the justification?***

ASRSP will send a reminder to the research community to review (and update as needed) payroll justifications for all affected awards on a monthly basis. The departments, then, should email the completed or updated justifications to [effort@northwestern.edu](mailto:effort@northwestern.edu).

Additionally, for an effort form that requires justification, the pre reviewers should include notes on impacted effort reports (applicable to exempt employees) 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).” Effort reports and referenced justification forms are sampled periodically to verify the documentation.

## **STIPENDS**

➤ ***Is the stipend of fellows/trainees working/training remotely during self-isolation or campus closure allowed to be charged to a grant?***

If the fellow or trainee is able to continue working or participating in program training activities on the sponsored project remotely, then stipend can be charged according to the stipend level designated by the sponsor; additional justification/documentation is not required.

➤ ***What if fellows/trainees are sick and unable to work/participate in training activities? Can their stipend still be charged to the grant?***

If a fellow or trainee is not able to work or participate in program training activities on the sponsored project because of illness (including COVID-19), the sponsor's policy applies. For NIH, NRSA trainees and fellows may continue to receive stipends for up to 15 calendar days of sick leave per year. Under exceptional circumstances, this period may be extended in response to a written request to the NIH awarding component. For details, please see: <https://grants.nih.gov/grants/guide/notice-files/NOT-OD-18-154.html>

➤ ***My sponsored project supports fellow and trainee stipends. Are these payments still allowable even if the individuals are unable to participate in the program due to the COVID-19 outbreak?***

Per the Federal regulations related to COVID-19 and Northwestern's Amendment to Charging Sponsored Projects: Policy for Sponsored Projects Impacted by COVID-19, stipend payments to fellows and trainees who may be unable to work as a result of or related to COVID-19 are allowable on sponsored projects, unless the sponsoring agency of the project does not allow the charges per the sponsor's notice.

NIH has advised that institutions affected by COVID-19 may continue to provide stipend payments to fellows and trainees who are unable to work as a result of or related to COVID-19. However, **prior approval is required**: recipients of such awards should notify the assigned grants management official about each impacted fellow/trainee, and provide documentation demonstrating the effect of COVID-19, and how long the institution will be affected. Please work with the Office for Sponsored Research to obtain the prior approval.

➤ ***When is a stipend justification form required?***

If an appointed fellow or trainee is not able to work or participate in sponsored training activities (idle) due to COVID-19 circumstances, the stipend can be charged to the active sponsored project according to the stipend level in place prior to the COVID-19 impacted start date, **provided** the required COVID-19 Justification Form for Sponsored Stipend Charges is completed, and required prior approval from the sponsor is obtained. The Justification Form must be completed on the award and project level, to document the effects and their start/end dates for all impacted fellows/trainees who receive stipend on the award.

➤ ***How often do I need to review and reconcile the justification?***

If documentation is required per the guidance, please complete a stipend justification form for each impacted award upon identification of COVID-19 impacted stipend charges. ASRSP recommends that departments review and update (as needed) forms for all impacted awards monthly, but no less than quarterly. Maintain forms at the department level for internal controls, and name files per the following convention: "COVID-19\_Sponsored Stipend Justification\_SPXXXXXX". When COVID-19 no longer affects an award, please finalize the related form.

➤ ***How is ASRSP monitoring the justification?***

On a monthly basis, ASRSP will send a reminder to the research community to review/update stipend justifications and prior approvals for all affected awards and send the current versions to [effort@northwestern.edu](mailto:effort@northwestern.edu).

Prior approval requests should be routed to the Office for Sponsored Research via the InfoEd Change Request module. OSR is the central office responsible for managing and maintaining prior approval requests and related documentation.

➤ ***What is the documentation requirement if an appointed fellow/trainee is not able to work/participate in training activities (idle) on a sponsored project due to COVID-19 circumstances, and the stipend is allowed to be charged to the sponsored project?***

If an appointed fellow or trainee is not able to work or participate in sponsored training activities (idle) due to COVID-19 circumstances, the COVID-19 Justification Form for Sponsored Stipend Charges and prior approval should be completed if stipend is charged to the sponsored award. The Justification Form must be completed on the award and project level, to document the effects and their start/end dates for all impacted fellows/trainees who receive stipend on the award. Please work with the Office for Sponsored Research to obtain the prior approval.

**TRAVEL AND CONFERENCE REGISTRATION FEES (applicable through June 16, 2020)**

➤ ***I was scheduled to travel in support of my sponsored project. However, the travel has been cancelled. Are the cancellation fees or non-refundable expenses associated with cancelled travel allowable expenses on my grant?***

The NIH states that non-refundable costs associated with grant-related travel that has been cancelled due to COVID-19 related complications may be charged to the NIH grant if the costs would have otherwise been allowable and were incurred on or before June 16, 2020. See NIH Notice No. [NOT-OD-20-086](#), [NIH FAQs](#), and Northwestern's [travel policy](#) for detailed information on the allowability of travel expenses. **For NIH contracts, please note:** Per [NIH Guidance](#), "Contracts must be handled on a case by case basis. Details regarding any contract must be directed to the cognizant Contracting Officer." Recipients should contact their NIH contracting officer for pre-approval to charge non-refundable expenses to the contract.

If the sponsor's notification is not clear about the allowability of the non-refundable expenses and cancellation fees, please contact the Program Officer/Grant Office directly to receive approval.

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.

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.

If the credit/voucher is used for travel 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/voucher is used. 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.

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

Institutions must document that costs charged to a grant are non-refundable and maintain documentation, in accordance with record retention requirements, and make them available to the federal agency upon request.

- ***For those who could not receive money back from the hotel/airlines, what kind of supporting documentation will be acceptable in order to process expense reports/payment requests for non-refundable 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. COVID-19 Justification form

- ***If a traveler can return home from travel (domestic or foreign) but at much greater cost than usual, is the additional cost allowable on the grant?***

Per NIH FAQs on [NOT-OD-20-086](#): As outlined in the NIH GPS 7.9.1, travel costs are limited to those allowed by formally established organizational policy, and in the case of air travel, the lowest reasonable

commercial airfares must be used. Recipients should continue to comply with the travel policies to determine the allowability of these costs in cases of unforeseen or emergency circumstances.

### **OTHER DIRECT COSTS**

- ***I am a PI/researcher and I am required to work from home as a result of the coronavirus. Would I be able to charge supplies relating to telework (i.e., such as a laptop, printer, toner, office supplies, etc.) to my grant?***

These types of expenses are considered administrative costs (indirect costs), and generally are not appropriate as a direct cost unless specifically approved by the sponsor.

- ***Research studies with a lab component already purchased gloves. Who would pay for other supplies (masks, wipes, etc.) if needed?***

Personal protective equipment needed to perform the grant may be a direct charge per sponsor guidance. Supplies needed for general cleaning should be covered by a non-grant or departmental chartstring. See also [“Guidance on Charging of Personal Protective Equipment to Sponsored Projects.”](#)