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Subject: Charging grants and contracts costs to Federal sponsored awards during COVID-19

The effects of the COVID-19 crisis are still unfolding and guidance from federal agencies is evolving.

While we anticipate federal sponsoring agencies will issue their own guidance regarding the effects of the COVID-19 health crisis on sponsored awards, we want to let you know that at this time:

- OMB has issued two Memos to the federal agencies: First Memo M-20-11 directing federal agencies to implement flexibilities initially for COVID-related activities; and a follow up Memo M-20-17, directing agencies to provide additional flexibility to recipients affected by the loss of operational capacity and increased costs due to the COVID-19 crisis.
- NIH and NSF have issued their guidance implementing the expanded flexibilities in the area of proposal submissions, travel costs and salary expenses authorized by OMB.

These two OMB Memorandums in general provide short term relief for administrative, financial management, and audit requirements under 2 CFR Part 200, Uniform Administrative Requirements, Cost principles and Audit Requirements for Federal Awards, without compromising Federal financial assistance accountability requirements. It also reminds agencies of their existing flexibility to issue exceptions on a case-by-case basis in accordance with 2 CFR § 200.102, Exceptions.

Here are links to the guidance that has been released by NIH and NSF:

NIH – <https://grants.nih.gov/grants/guide/notice-files/NOT-OD-20-086.html>

NSF - https://www.nsf.gov/bfa/dias/policy/covid19/covid19_nsfombimplementation.pdf

We expect all federal awarding agencies adopt policies and release guidance that are uniform and consistent in providing additional administrative flexibility in light of the COVID-19 pandemic.

At this time, campuses should continue to charge salaries, stipends, and benefits to currently active awards consistent with the UC policy of paying salaries from all funding sources, federal and non-federal. Likewise costs related to the cancellation of events, travel, or other authorized activities due to

the COVID-19 crisis, may charge these costs to their award if they would have otherwise been allowable. Please ensure appropriate records and cost documentation are maintained to substantiate the charging of any cancellation or other fees related to interruption of operations or services.

Recently President Napolitano announced all employees are eligible to receive a one-time allotment of up to 128 hours of paid administrative leave in recognition of the extraordinary demands staff and their family members are facing as a result of the impacts of the coronavirus on the UC community. This employee benefit is an allowable cost could be charged to federal grants and contracts consistent with other employee benefits.

However, it is important that you verify if your sponsor offer such same flexibility. In the event that your sponsor does not afford such flexibility, these costs should be removed. Additional resources are available in the Research Policy Analysis and Coordination (RPAC) webpage. RPAC is regularly updating information on this website as additional guidance is received.

Thank you,



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