

# University of Alabama at Birmingham

## Interim Policy on Salary and Benefits Expenses on Sponsored Awards during Unexpected or Extraordinary Circumstances (COVID-19 Crisis)

This policy is effective April 1, 2020 through September 30, 2020.

### *Related Policy*

[Effort Reporting Policy](#)

## BACKGROUND

On March 9, 2020, The Office of Management and Budget (OMB) issued [Memorandum M-20-11](#) which identified federal agency actions to relieve short term administrative, financial management and audit requirements under 2 CFR 200, *Uniform Administrative Requirements, Cost principles and Audit Requirements for Federal Awards* related to research and services necessary to carry out the emergency response related to COVID-19 without compromising accountability requirements. On March 19, 2020, OMB issued [Memorandum M-20-17](#) which expanded these actions to other recipients affected by the loss of operational capacity and increased costs due to the COVID-19 crisis. The OMB memo does not authorize recipients to undertake any of the listed actions or to charge any of the mentioned costs to a sponsored award. It only gives other federal agencies the authority to permit the exceptions in accordance with the Memorandum and the funding recipients' policies. Specific sponsor adoption of these actions is outlined in the following sections.

By accepting sponsored projects, the University of Alabama at Birmingham (UAB) agrees to comply with regulations and cost principles governing the use of such funds and to ensure that costs charged against those funds are allowable, allocable, reasonable, consistently applied, and conform to any exclusions or limitations set forth by the sponsored awards and agreements.

Salary expenses generally represent the largest direct cost component of sponsored projects. Federal regulations and UAB's [Effort Reporting Policy](#) require that salary charges to sponsored projects be commensurate with the actual effort (not budgeted effort) devoted to those projects and that effort certifications reasonably reflect UAB project employees' effort devoted to sponsored activities for the reporting period.

## SCOPE

This policy applies to all extramurally funded projects by UAB project employees, as they are defined in UAB's [Effort Reporting Policy](#).

## POLICY STATEMENT

UAB allows salaries and benefits to be charged to currently active awards consistent with the sponsor's guidelines during unexpected or extraordinary circumstances ("Event"), regardless of the funding source, whether federal or non-federal.

Awarding agencies may also allow other costs to be charged to federal awards necessary to resume activities supported by the award, consistent with applicable federal cost principles and the benefit to the project or if supplemental funds are awarded by the federal government for projects that provided important and specific relief/assistance during the Event (i.e., providing personal protective equipment during COVID-19). Awarding agencies may also evaluate the grantee's ability to resume the project activity in the future and the appropriateness of future funding, as done under normal circumstances based on subsequent progress reports and other communications with the grantee. Awarding agencies must require recipients to maintain appropriate records and cost documentation as required by [2 CFR § 200.302 - Financial management](#) and [2 CFR § 200.333 - Retention requirement of records](#) to substantiate the charging of any salaries and other project activities costs related to interruption of operations or services.

If a UAB project employee cannot work during the Event due to illness, caring for an ill family member, quarantine, or desires to take vacation time, the employee must use the appropriate time off category, and the associated costs of salary, wages, and benefits may be charged to Sponsored Project accounts consistent with sponsor guidelines as detailed in the [effort reporting policy](#) of UAB.

Changes in effort for UAB Project Employees during the Event must be fully documented and follow applicable funding agency requirements. If a UAB project employee cannot contribute to his/her current project but can contribute to another sponsored project or school activity, the salary must be moved to that funding source when the assigned work activities change.

UAB project employees may be paid for work performed remotely. Agreed-upon arrangements and terms for working remotely must be documented by the supervisor. During the Event, UAB has implemented provisions to expand its telecommuting options, and employees and supervisors should have a telecommuting agreement on file.

Principal investigators should not assume that supplemental funding will be available if charging current salaries results in a shortage of funds to carry out the project once full operations are restored. If all available funds for salaries are expended during the Event, there is no guarantee that the funding agency will provide additional funds to complete the work. It is possible that sponsored projects may have funds available due to the inability of travel and restocking of lab supplies. Requests to rebudget unused funds during the Event must be submitted to the UAB Office of Sponsored Programs.

## IMPLEMENTATION

The Senior Vice President for Finance and Administration is responsible for implementation of the financial management aspects of this policy.

The Vice President for Research, through the Office of Sponsored Programs, is responsible for implementation of the grant and contract aspects of this policy and for overall coordination with sponsors when necessary.