

MEMORANDUM

To: K-State Associate Deans, Research Administrators Council

From: Peter K. Dorhout, Vice President

RE: Sponsored Projects and Furlough Considerations

Grant-funded personnel may have questions relating to how their individual situations may be affected by recent announcements regarding mitigation strategies for budget shortfalls. The discussion and examples that follow provide guidance that may address the questions you have regarding existing grant funded time commitments, in face of impending budget cuts. These are very complicated issues related to specific contractual obligations with a sponsor, and individual situations may not be addressed within the following discussion. Therefore, OVPR Leadership will be scheduling Zoom-based office hours to provide the opportunity to discuss specific situations with you or individual faculty. **Time will be dedicated Thursday, July 16, 3-5 PM for this purpose. Please contact (or have a faculty member contact) Michelle Langvardt ([mlr9988@ksu.edu](mailto:mlr9988@ksu.edu)) to schedule an appointment.**

**Positions Partially Funded By Sponsored Projects**

The effort of personnel committed to sponsored projects constitutes legal and binding contractual obligations on the part of K-State, whether charged directly to the sponsored project, or pledged as cost sharing or match paid from other funding sources, in support of the sponsored project. Employee effort committed to existing sponsored project funding may not be subjected to effort reducing actions, including furlough, without express written approval from the sponsor, in accordance with directives issued by the Office of Management and Budget (OMB), as well as agency specific requirements.

Positions (faculty or staff) that are partially funded by a sponsored project, or in which a portion of the non-sponsored project funded effort has been pledged as cost sharing or match, requires the application of a calculation to determine the appropriate number of furlough days to be assessed to the employee. In a simple example, if a department or unit is assigning 10 furlough days and an employee is funded 80% on university funds, .8 FTE, and 20% on sponsored project funds, .2 FTE, then the calculation of the allowable furlough days would be applied to the university funded FTE. Therefore, 10 days x .8 FTE = 8 furlough days. This particular employee should receive a furlough for 8 days with direction that it is only applied to the non-sponsored project/state funded work.

This calculation is also utilized to determine the time available for furlough for personnel who have pledged effort funded by non-sponsored project or state funding sources to a sponsored project. An evaluation of each individual's appointment (source of funding) that is subject to furlough must be performed to determine the existence of time commitments (charged to or provided as cost-share or match) to externally funded grants, contracts and agreements.

If furlough days are taken, payroll funding will need to be adjusted to capture the full furlough time against the non-sponsored project/state funds, remembering to factor in any cost-shared effort commitments for individual employees. The results from the calculations that are non-integer are rounded to the nearest whole day, as illustrated above.

This policy is based on information compiled by the Council on Governmental Relations. <https://www.cogr.edu/cogrs-faqs-and-resources-covid-19s-impact-federal-awards>

### **Increasing Effort on Sponsored Projects**

Under very specific circumstances, described below, faculty & staff may readjust their funding from state funds to sponsored project funds based on an approved change in time and effort. Note that such a change should encompass multiple pay periods.

- 1) Faculty with research grants that support salary and have adequate remaining funding balances can, *with the approval of their sponsor*, increase their effort on said grant for a period of time *for the purpose of accomplishing the deliverables of said research* (see sample sponsor request below). Justification for increasing the time commitment on grants include a “ramp-up” of effort to get the project back on schedule following reduced productivity resulting in restricted laboratory access caused by organizational shutdown, due to the COVID-19 pandemic or other such related reason (such as lack/loss of student or other personnel). A PI/Researcher should not provide justification to a Sponsor indicating that the reason for this increased effort is to avoid the effect of the institution's furlough policy. Rather, increased effort should be pursued only for the bona fide need to increase effort to catch up lost productivity, or due to lack of available personnel, resulting in PI needing to assume more of the project tasks that are normally performed by students or other unavailable project staff. Increased effort charged to a grant may not replace previously committed cost-shared effort. Rather, increasing the time charged to the grant would be in addition to previously committed cost-shared or charged effort.
- 2) Actual time and effort expended on the sponsored grant or contract and ultimately reported (charged or cost-shared, as the case may be) must reflect the approved change.

Increasing the effort allocated to the sponsored project(s) may require an adjustment to an employee's base appointment, re-allocating the time a faculty member has available for research, teaching and service, if such increased grant effort results in a faculty member increasing their research effort commitments beyond the allocation allowed by their current appointment. For example, a 9-month faculty member who wants to increase their research time & effort by 10 percentage points has a 50% research/40% teaching/10% service load. That person may decide to increase the effort on a sponsored project (with Sponsor and department head prior approval) and will need to adjust their appointment of record to 60% research/(40-x)% teaching/(10-y)% service – reflected in a revised contract – where  $x + y = 10$ . Federal sponsoring agencies expect institutions to manage the time commitments of its personnel and the institutional assigned allocations of effort, reconciled to current sponsored project commitments, and all are subject to ongoing time and effort audits.

- 3) The changes detailed in this section require prior Sponsor consultation/approval and *must be approved by the department head*, who will ensure that the department's teaching commitments are maintained (see 2). I have included an example memo that was sent by a PI to a Program Officer for consideration.

Example Sponsor request:

**From:** Professor Y  
**Sent:** Sunday, July 12, 2020 6:25 PM  
**To:** Sponsor Program Officer  
**Subject:** percent effort # 2 R99 LG#####-02 - response requested

Dear Dr. Program Officer:

I hope you are doing as well as possible during this time.

I am preparing my Year 2 progress report for August 2020 for my R99 (2 R99 LG#####-02). While we were making good progress, due to COVID-related shutdowns of cores in my facility and a lack of undergraduates on campus since March 2020, our progress slowed considerably.

I will have the opportunity to devote more effort during this coming academic year to my R99 to ideally catch up a bit. I currently have one academic month budgeted for Year 3, but I should be able to add ~ 0.5 to 0.75 additional academic month's time. I will use salary remaining from Year 1 that I was unable to use given the fast start of the grant.

Prior to proceeding, my institution asked that I obtain permission from my program officer to add additional academic year effort to the project during Year 3. If you approve, I will start the process on my end so everything is in place for the start of my academic year and Year 3 of the grant.

Please let me know if you need any additional information. Thank you!

Professor Y

The response that the K-State faculty member received from their Program Officer was:

"I think this is entirely justified and a good plan."

### **Decreasing Salary on Sponsored Projects**

The above scenarios involve increased effort (time) and do not apply to voluntary salary reductions, which may be one solution adopted to meet a budget reduction scenario. This creates different issues and requests to the sponsors because the base salary for the contracted budget would be affected, i.e. K-State would need to reduce the salary requested to reflect the contract salary rate and then counter with an increase in effort/time to make it balance for the sponsor.

In summary, while considering sponsored projects in plans to address budget shortages, it is imperative that the plan ensure that the Federal government or other sponsor is not being financially disadvantaged, and equally important, funding agency expectations are being met because sponsored research is being completed in a manner consistent with institutional commitments.

Any such requests for alterations of previous terms to sponsored project budgets should be processed through PreAward Services.