

FAQ - Impact of Furloughs on Sponsored Programs

Q1: What is the general rule for handling furloughs for individuals whose salaries are reimbursed, in whole or in part, by externally funded grants, contracts, or cooperative agreements?

A1: The general rule is that all UNLV employees, even those whose salaries are reimbursed by externally funded grants, contracts, or cooperative agreements will be required to take furlough, while post docs, graduate students, and students will not be subject to furlough.

Q2: What about UNLV employees, who are partially paid by a federal or other externally funded grant, contract, or cooperative agreement? How does the furlough program apply to them?

A2: An employee whose salary is partially funded from grants, contracts, or cooperative agreements shall be subject to [Furlough Guidelines](#).

Q3: Is there a possibility to be partially exempt from furlough on sponsored programs, e.g. 100% funded on a project?

A3: At this time, no. There are active discussions being led by leadership with NSHE to address the impact on furlough on sponsored programs and an effort to reevaluate these concerns.

Q4: How should I prepare for these furloughs on my sponsored programs?

A4: Each PI should review their budgets and evaluate the scope of work, budget, and percent of effort based on the furloughed salary needed to complete the scope of work within the period of performance.

Q5: If I have other source of funds to pay for the reduced pay can I use those funds?

A5: No, the loss of salary due to furlough cannot be paid through other sources to make up that deficiency.

Q6: Who is ultimately responsible for the scope of work and any changes that need to be made with respect to the furloughs?

A6: The Principal Investigator (PI) is responsible for the technical, administrative, and fiscal management of a project. In addition, the PI is responsible for assuring that all costs are allowable, allocable, and consistent with the terms of an award. The Office of Sponsored Programs, Post Award Grant and Contracts will lend their expertise in making these determinations when requested to do so and will determine when prior approval from sponsor is required. The PI must endorse all charges to the grant including any adjustments to the budget.

Q7: What is the role of the Office of Sponsored Programs?

A7: The OSP Post Award Grants and Contracts research administrator assigned to your college/department should be consulted if there are any questions about whether under a specific agreement a prior approval form or notification to the sponsor is required. Post Award Grants and Contracts should be consulted when there is any uncertainty as to the flexibility of the award terms.

Q8: When is prior sponsor approval required?

A8: Any changes to the administration of an award that will adversely and significantly affect the scope of work require prior approval. Therefore, furlough related rebudgeting that is significant relative to the total budget and that results in a change in the scope of work, require notification to the sponsor. For National Institutes of Health awards, the determination is associated with rebudgeting of more than 25% of a budget line item.

The terms and conditions of any given contract or grant award govern the ability to re-budget project funds. Some awards are somewhat flexible, others are not. For instance, State awards do not generally allow for rebudgeting without prior approval. Many federal agencies issue grants and cooperative agreements under standard Research Terms and Conditions (RTC) based on Federal Demonstration Partnership (FDP) (expanded authorities.) Under this core set of administrative requirements prior agency approval for re-budgeting is typically not required. The following link provides guidance on prior approval requirements for FDP participating federal agencies:
<http://www.nsf.gov/bfa/dias/policy/rtc/priorapproval.pdf>. Please note that other federal agencies may elect to use the RTC terms on selective awards to their research recipients. The terms and conditions of the award will indicate when RTC conditions apply.

Re-budgeting that results in a change in effort on the project must be reflected in agency progress reports and should be adjusted, if applicable, through payroll allocation prior to work being conducted. This also allows for correct certification at the time of Effort Reporting.

For those federal agencies that have not adopted the standard RTC, and all non-federal agencies, the specific terms and conditions of the award will determine if re-budgeting to support additional effort is permissible and if sponsor prior approval is required. The OSP Post Award Grants and Contracts research administrator assigned to your college/department should be consulted for guidance.

Cost Share and Effort Certification

Q9: How will furloughed employees certify effort?

A9: The effort reporting principles will not change. The Notice of Grant Award from the sponsor has already established a level of activity or commitment that is still expected. Certifiers should continue to certify the level of work actually performed for each effort period and also confirm that it will meet the required commitment on the grant. Assuming that salaries are still distributed as planned and overall effort is expended in the same proportions as before the furloughs, none of the percentages on the effort statement will change.

Q10: Is there an example of how furloughs will work with effort reporting?

A10: Let's take an example of an employee who is required to take a 6-day furlough and who is paid 50% from State funds and 50% from Federal funds. Since the furlough program covers all individuals regardless of funding source, there would be a proportional decrease in compensation to both funding sources. The payroll distribution would be unaffected, and the individual's full-time appointment and corresponding responsibilities would not be affected. Thus, the percentage of effort certified will not change. Just as before, this employee should certify 50% effort on State funds and 50% effort on Federal funds. Even though the employee is on furlough, the amount of total available effort is still 100%.

Q11: I have a MANDATORY cost sharing commitment on my grant, and I am meeting the commitment with donated effort. How do furloughs impact my cost sharing?

A11: A mandatory cost share means the funding agency is requiring a certain level of matching contributions as a condition of eligibility for an award. If you are meeting the commitment through contributions of your time, there is an impact. While your effort reporting level will not change because of the furloughs, your cost sharing DOLLAR commitment will be reduced. If cost sharing is mandatory, you will need to increase your level of effort in order to meet the dollar level of cost sharing promised in the proposal.

Q12: What is an example of how a mandatory cost sharing commitment would be impacted by furloughs?

A12: Let's assume that a PI with a 12-month appointment has pledged \$7,000 of his \$100,000 salary to help meet a mandatory cost sharing commitment. This translates to a 7% effort commitment or 0.84 calendar months. With a 6-day furlough in place, the PI's overall annual salary would be reduced by about 4.6% to \$95,400. In order to meet the \$7,000 salary, cost share, the PI would need to increase his level of payroll to 7.33% or 0.88 calendar months and certify effort at 8% (rounded up).

Q13: What if UNLV has agreed to provide a cost match for additional assigned time for the faculty member? Is the cost match portion of effort subject to furlough?

A13: If UNLV has a formal, written agreement with the sponsoring agency to provide the cost match, in order to maintain the effort commitment, both the portion of the faculty member's time directly reimbursed by the grant and the portion provided by the cost match would be impacted by furlough.

Q14: If a contract or grant includes voluntary committed or mandatory cost sharing in the form of effort paid by state funds, how will the Furlough affect the award?

A14: Because furlough reduces the number of days an employee works, the amount available for cost sharing under these circumstances is being reduced. Any reduction of voluntary committed or mandatory cost sharing previously identified in the proposal budget or award must be approved by the sponsor agency.

Other Questions

Q15: Will the University collect the sponsored project money that is saved through furloughs?

A15: No. The University is not asking for that money nor could the University legally use that money for purposes other than the stated scope of work.

Q16: Is it legal to require people paid on external funding to take furloughs?

A16: Yes, it is legal for people on externally funded grants and contracts, even federal grants and contracts, to take furloughs. The Uniform Guidance (2 CFR § 200.430) states: "Because practices vary as to the activity constituting a full workload, records may reflect categories of activities expressed as a percentage distribution of total activities." Institutions are expected to have organizational policies with regard to the payment of salary and wages for employees and to consistently apply those policies

regardless of the source of funds. Payroll and effort records should reflect no more than the percentage of time actually devoted to any grant or contract.

Q17: Are other universities considering furloughs?

A17: Yes, most institutions of higher education are facing the same budget issues and many of our peers are using furloughs as one of the mechanisms to address the budget shortfalls.

This document will be updated as additional questions are gathered.

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