

To: The Research Community

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Subject:Charging of salaries or compensation on sponsored programs

In response to the COVID-19 pandemic, the federal government released a number of memoranda from the Office of Management and Budget (OMB) that allowed federal agencies to offer award recipients certain flexibilities to alleviate the impact of the pandemic on research operations. Specifically, the March 19, 2020, OMB memo ([OMB Memorandum M-20-17](#)) stated that “Awarding agencies may allow recipients to continue to charge salaries and benefits to currently active awards *consistent with the recipients’ policy of paying salaries* (under unexpected or extraordinary circumstances) from all funding sources, Federal and non-Federal.”

In response to this guidance, Rutgers’ Office of Research and Economic Development (ORED) Grant and Contract Accounting updated the [Salary and Compensation Expenses on Sponsored Programs Procedure](#) to include the following language:

***Note:** In extraordinary circumstances, which adversely affect the University’s ability to conduct sponsored activities, as determined by the University President or Board of Governors, University staff and faculty may temporarily continue to charge salary and compensation expenses to sponsored awards to the extent such expenses align with institutional and sponsor guidelines.*

This allowed Rutgers to continue charging salary and compensation, even for idle employees, to our federal and non-federal awards during the unprecedented times of COVID-19 while still remaining compliant with federal regulations. This memorandum and the flexibilities it provided expired in mid-June. However, on June 18, 2020, OMB provided yet another memo ([OMB Memorandum M-20-26](#)) extending this flexibility through September 30, 2020.

At this time, the flexibility has NOT been extended and will expire on September 30, 2020. Therefore, beyond September 30th, we will revert to treating all COVID-related costs consistently with all other research-related costs governed by federal, state, and institutional policies. Further, all salaries charged to our sponsored programs must be reflective of **actual effort expended** on that sponsored program. Idle employees should **not** be charged on a sponsored program. Please update cost instructions so as not to include the COVID-19 activity code on salaries and compensation for idle employees on sponsored programs beyond September 30, 2020.

If you have any questions or concerns, feel free to contact your grant accountant. Your grant accountant can be identified by accessing the [Grant and Contract Accounting website](#).