



Furlough Frequently Asked Questions

Impact of Furloughs on Sponsored Projects

Q1: Will individuals working on externally funded projects (i.e., sponsored projects) be furloughed?

A1: Yes. The University is applying furloughs broadly across campus, regardless of source of funds. However, there are a few classes of employees, primarily students, who have been exempted from furloughs.

Q2: Are there exemptions to the furlough program?

A2: Student hourly employees, graduate assistants, post-degree training appointments, and foreign workers on H-1B and E-3 visas may not be furloughed.

Q3: Is it legal to require people paid on external funding to take furloughs?

A3: 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.

Q4: Will the University collect the sponsored project money that is saved through furloughs?

A4: 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.

Q5: What will happen to the grant or contract money saved from furloughing employees on sponsored projects?

A5: Most grant funding agencies give the University the flexibility to adjust budgets to use the money saved from furloughs in other ways, e.g. additional student support, supplies, or even to extend the period of the grant. For contract funding and grant funding where the University does not have the flexibility to rebudget, the University will need to request prior approval from the sponsor. To determine if you need sponsor approval for rebudgeting, refer to the following:

Your award notice (grant or contract)

General sponsor terms and conditions

Sponsor COVID-19 related updates. Check the [DSP website](#) for COVID-19 related sponsor guidance.

Contact DSP if you have questions:

dsp@uiowa.edu (general questions)

nih@uiowa.edu (NIH grant questions)

era@uiowa.edu (grant questions – other than NIH)

dsp-contracts@uiowa.edu (contract questions)

If your proposed change requires sponsor prior approval, contact DSP so that DSP can contact the sponsor to request prior approval.

Q6: I am fully paid off of sponsored project funding. Why am I being furloughed?

A6: The University sought a consistent approach to paying staff and faculty through this period of furloughs. Inconsistently applied furloughs for individuals paid from different sources would be problematic.

It is also the case that in almost all instances, sponsored project funds not used for salaries are still available to support the work of the research project. The disruptions and unanticipated costs caused by the pandemic have impacted the ability to perform the scope of work required on sponsored projects. While sponsors have indicated they hope to be able to provide additional funding to address these unanticipated costs, there are no guarantees that the funds will materialize. The small amount of salary savings may be useful to complete the project objectives.

Q7: Will sponsored projects be charged for vacation give back?

A7: No. It is not allowable for the university to charge vacation give back to sponsored projects.

Impact of Furloughs on Effort

Q1: Do furloughs require any change to effort reporting?

A1: Furloughs will NOT affect effort reporting since effort reporting is based on 100% of an individual's compensated activities at the university. These furloughs reduce the actual time an individual works and

the pay associated with that work. However, the reduced time still represents 100% of the person's compensated activities.

Q2: How will furloughed employees certify effort?

A2: 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.

Q3: Is there an example of how furloughs will work with effort reporting?

A3: 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%.

Q4: 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?

A4: 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.

Q5: What is an example of how a mandatory cost sharing commitment would be impacted by furloughs?

A5: 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 5-day furlough in place, the PI's overall annual salary would be reduced by about 1.9% to \$98,076. In order to meet the \$7,000 salary cost share, the PI would need to increase his level of payroll to 7.14% or 0.86 calendar months and certify effort at 8% (rounded up).

Q6: Are other universities considering furloughs?

A6: 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.

Essential vs Non-Essential Purchases on Sponsored Projects

Q1: Can I still book travel on my sponsored project?

A1: Yes, if the university is allowing travel to occur. If travel is temporarily placed on hold, then the travel will not be allowable.

Q2: Are subawards considered essential purchases?

A2: Yes. Subawards will continue to be issued as they are critical to the success of many sponsored projects. PI's should use their best judgement in determining the amount of the subawards and the period of performance as the impact of the pandemic may limit the ability of subrecipients to perform all proposed activities.

Q3: Are research supplies considered essential purchases?

A3: Yes. Supplies required to continue research operations are considered essential purchases. In purchasing these items, PI's should use their best judgment in determining the quantity needed and the frequency of purchasing as the impact of the pandemic may limit the ability to use items as originally proposed.