

April 18, 2015

## Principal Investigators on Leave

### Frequently Asked Questions

The answers to the following questions will differ depending on whether an award is under the federal Uniform Guidance (UG) or under the older federal regulations. A Division grant manager or the Office of Sponsored Research can provide information as to which regulation applies to a particular federal award.

#### My federal award is subject to the Uniform Guidance

Q: If a Principal Investigator (PI) will be on leave from Caltech, must the PI obtain permission from the funding agency for that absence?

A: If your award is under the Uniform Guidance and you will remain engaged in the project, you do not have to obtain sponsor permission. Rather, on Caltech's Application for Leave of Absence form, you can simply indicate under the Grant Administration section that you will remain engaged and continue to meet your effort commitments. However, if you do not intend to remain engaged during your leave of over 90 days, or you plan to reduce your committed effort by more than 25% on a particular federal award, you must obtain permission from the sponsor via the Office of Sponsored Research (OSR).

Q: How does a PI obtain funding agency permission for a disengagement from the project of more than 90 days, or a reduction of effort commitment of more than 25%?

A: The PI needs to prepare a letter for each award. The letter must include the sponsor's award number, the start and end dates of the leave or period of reduction, a short description of the nature of the absence or reduction, and how the absence or reduction will be managed. The letter must include the PI's signature, and the signature of the substitute PI, if applicable. The letter should then be forwarded to OSR who will countersign the request and formally submit it to the sponsoring agency. If a substitute PI will be proposed, then the letter must also include a discussion of the substitute PI's qualifications and a copy of their CV should be submitted.

Q: If a PI on unpaid leave from Caltech will remain engaged in the federal award and continue to meet the effort commitment but will not be charging salary to the award, is there a negative impact to Caltech?

A: No. Since the PI's salary is not passing through Caltech's financial system, this cost sharing is considered "in-kind," and does not get incorporated into the overhead rate calculation nor does it impact Caltech's overhead recovery. As a result, there should be no need for the PI to reimburse Caltech for the unrecovered overhead that would otherwise be required were the PI to cost share their effort while on paid status.

## My federal award is not subject to the Uniform Guidance

Q: If a PI will be on leave from Caltech, must the PI obtain permission from the funding agency for that absence?

A: Yes – federal regulations require that any PI/co-PI who will be absent from a project for more than 90 days request prior approval for the absence. The request must contain a proposed project management plan, such as the naming of a substitute PI for the period of the absence.

Q: What if the absence is less than 90 days?

A: Although there is no federal regulation governing absences of less than 90-days, some agencies require the PI to notify them of absences of less than 90 days (e.g., NSF).

Q: If a PI submits a request for approval of an absence of more than 90 days, can the PI propose to manage the project remotely and thereby not have to name a substitute PI?

A: Yes, but the fact that the PI plans to continue managing the award does not negate the need to obtain prior agency approval for the management plan.

Q: How does a PI obtain funding agency permission for an absence of more than 90 days?

A: The PI needs to prepare a letter for each award. The letter must include the sponsor's award number, the start and end dates of the leave, a short description of the nature of the absence, and how the absence will be managed. The letter must include the PI's signature, and the signature of the substitute PI, if applicable. The letter should then be forwarded to OSR who will countersign the request and formally submit it to the sponsoring agency. Regarding the management plan: if a substitute PI will be proposed, then the letter must also include a discussion of the substitute PI's qualifications and a copy of their CV should be submitted. If the PI intends to continue managing the project remotely, they should describe how they will maintain contact with the lab, continue mentoring students and postdocs, and oversee scientific and financial management.

Q: If a PI has obtained approval to be absent for more than 90 days, and will continue to manage the award, what happens to the effort they have committed to the project?

A: The effort commitment remains an obligation of Caltech and the PI. Therefore, the PI must continue to meet the committed effort and confirm the payroll charges on the project.

Q: If a PI is on paid leave from Caltech, and the sponsor has approved the PI to continue managing their award during the leave period, and the PI is not charging their time to the award, does this constitute cost sharing?

A: Yes – anytime that Caltech makes a resource commitment in a proposal, and that resource is not charged to the award it is by definition cost sharing and Caltech must track and report it. If the PI's leave is being paid by Caltech, the PI can continue to charge an appropriate portion of his/her salary to a sponsored project and thereby avoid creating a cost sharing requirement.

Q: Is there a negative impact to the Institute when PIs cost share their time?

A: Yes—if the Institute is continuing to pay the PI’s salary. All cost shared expenses within the financial system, including salaries and staff benefits associated with the PI effort, are factored into the research base when calculating Caltech’s Federal overhead rate. The practical effect is that cost sharing lowers the final negotiated overhead rate and therefore Caltech’s overhead recovery. As a result, Caltech has implemented a requirement for PI’s to reimburse the general budget for the unrecovered overhead on voluntary cost shared effort; overhead that would otherwise have been collected by Caltech had the PI’s effort been charged to the award.

Q: If a PI is on unpaid leave from Caltech and the sponsor has approved the PI to continue managing the award during the leave period, how does Caltech track their effort commitment?

A: Since the PI’s salary is not being charged within the Caltech financial system, that particular salary will not show up on the Payroll Distribution Confirmation report. Therefore, Post Award Administration will obtain a written certification from the PI confirming that he/she met the effort commitment for the given period.

Q: If a PI on unpaid leave from Caltech will continue to meet the effort commitment but will not be charging salary to the award, is there a negative impact to Caltech?

A: No. Since the PI’s salary is not passing through Caltech’s financial system, this cost sharing is considered “in-kind,” and does not get incorporated into the overhead rate calculation nor does it impact Caltech’s overhead recovery. As a result, there should be no need for the PI to reimburse Caltech for the unrecovered overhead that would otherwise be required were the PI to cost share their effort while on paid status.