



TO: Division Chairs and Division Operations Officers

FROM: Richard Seligman, Associate Vice President, Research Administration

DATE: July 13, 2020

SUBJECT: Temporary Policy on Charging Costs to Sponsored Awards During the COVID-19 Situation

This is to let you know that Caltech is cancelling its Temporary Policy on Charging Costs to Sponsored Awards During the COVID-19 Situation. For salary-related costs, the cancellation is effective with the start of the next pay period: July 20, 2020 for bi-weekly staff and August 1, 2020 for those paid monthly. For non-salary related costs, cancellation is effective on the date of this notice. Costs should continue to be charged to sponsored awards in accordance with Caltech and sponsor policies.

On April 2, 2020, Caltech issued the temporary policy referenced above in response to a federal policy issuance (OMB M-20-17) that provided flexibilities in the charging of COVID-19-related costs to federal awards that might not otherwise be allowable. Such costs included salaries of those unable to work remotely, as well as costs resulting from cancelled travel and workshops.

With the issuance of OMB M-20-26, the Federal government terminated all but two of the flexibilities provided in OMB M-20-17 and extended the remaining two. The one relevant flexibility extended by the government, charging salaries of those unable to work remotely, came with a new condition – the institution would first have to document that it had exhausted other available funds before it could charge such salary costs to federal awards. Due to the extreme difficulty in meeting the new condition, Caltech has chosen not to proceed with the extended flexibility. Caltech’s decision is consistent with that of many of its peer institutions.

Given the rapidly changing situation with regard to COVID-19 and its impacts, it is possible that the government may make further changes to its policies regarding the allowability of costs during the pandemic. As those changes impact Caltech and our policies and procedures, Caltech will make changes, as necessary.

Please direct your questions about the allowability of COVID-19 related charges to sponsored awards to David Mayo, Director of the Office of Sponsored Research or Rochelle Athey, Senior Director of Post Award Administration.