May 22, 2020

MEMORANDUM

To: MSU Faculty
CC: Deans, Directors, and Chairs
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Subject: Sponsored Programs COVID-19 Related Impacts/Changes

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Introduction and Impacts:
The limited access to MSU’s campus in response to COVID-19 has caused significant disruption of many research and creative activity programs. The extent of this disruption is as varied as the nature of our projects, ranging from a best case of complete functional relocation to your home, to a worst-case of complete cessation of projects. In most cases, some level of scholarly activity has continued, and while working from home, real progress has been made on project objectives.

In light of the disruptions we have experienced, the central issue we need to manage together is what sponsors’ expectations may be with respect to delivery of the reasonable effort to achieve results that they awarded or contracted with us to seek. Because scholarly effort has continued in off-campus locations, and MSU’s policies
have supported colleague retention, MSU has continued to pay graduate students and employees from grant accounts while access to campus facilities has been limited. Some sponsors may accept investigators’ reasonable efforts and results reflecting the constraints of the pandemic and governmentally imposed restrictions. A few may expect a full accounting of when investigators were or were not working on their projects, expecting financial reimbursement for the time work was infeasible, or granting no-cost extensions to give investigators time to complete the work.

The following is an attempt to forecast potential scenarios so your units can prepare. Where our research is funded by external sponsors, we have a wide array of sponsor expectations for how MSU will address this lost productivity.

Sponsors, in their own state of disruption, may not have formulated or communicated their expectations. We have described scenarios that may evolve over the coming months. Specific requests/directions from sponsors, and the institutional responses to them, will take precedence over the information outlined below and in the Appendix. We will work together to manage projects as the facts unfold.

**Best practices, regardless of funding source:**

To the extent that project personnel are continuing to make meaningful contributions toward project goals, it would be prudent to take time to document those activities. Many non-laboratory activities can reasonably be attributed to a project, such as literature review, computer programming, calculations, and simulations, data and image entry, coding and analysis, manuscript and report writing and editing, planning of experiments to be run when project personnel return to campus, project rumination, virtual interviews, team and collaborator discussions to accomplish related tasks, and online safety or other compliance training; so be inclusive in your thinking. This documentation will be easier to prepare when memories are fresh and allow us to provide a credible and accurate response to any sponsor that might ask how we used their funds during the time when many were working remotely.

In cases where you are failing to make progress against project goals, it would be prudent to do all you can to minimize costs to the project in whatever way you can. (This is especially true of new discretionary expenses incurred after the local impact of the pandemic began.) Any demonstrable effort we make to mitigate avoidable project losses will be helpful in the event of the need for a negotiation with the sponsor.

For projects that reach the end of their project period while access to campus remains limited, account close-out and project personnel management should proceed as it usually would.

**Communicating with Sponsors:**

Included in the Appendix is a description of what we know from different funding sources and a broad overview of action to be taken depending on the type of funding. Generally, if changes to the timeline or statement of work are needed, some communication with sponsors is likely appropriate. After reviewing the Appendix, the most likely next step is to communicate the potential impacts and requested resolution to the Contract and Grant Administration (CGA) Awards Group via email as soon as practicable, at awards@cga.msu.edu. The Awards Group will review your specific scenario and work with you on next steps.

**For any Sponsor – where that Sponsor has issued a communication to “Stop Work” or “Pause” a project:**

You will be contacted as soon as practical to make you aware of any such orders that are received by the Sponsored Programs, Contract and Grant Administration, or Business Connect offices. Similarly – we ask
that you contact CGA awards@cga.msu.edu, and copy Business Connect if industry funding, if a Sponsor reaches out to you directly to ask you to pause or stop work on a project.

If a stop work order is issued, work on the project (or a subset of work, defined by the stop work order) should stop and expenditures should be limited as much as possible. Expenses incurred after the effective date of the stop work order may not be reimbursable. A pause of a project is not a project termination, but it is a warning sign that a termination may be forthcoming. It would be wise to plan for the possibility that the award may be terminated in the future.

Project terminations will require immediate action to stop expenditures in accordance with terms and conditions of the award, followed by account close-out and other resulting downstream consequences. CGA will work with you and sponsors as appropriate as well as assist you with questions.

Always be sure to connect with department, school, and college officials, and then with Human Resources/Academic HR, prior to pursuing any potential employee furloughs or terminations.

Financial Shortfall:

There may be situations where a sponsor expects further work to be completed at MSU’s expense, to mitigate the consequences of the COVID-19 shutdown. At this time, the responsibility for these costs will fall to individual investigator discretionary funds, departments, or colleges. We will work with you and sponsors to minimize this exposure, but planning should be ongoing to manage these financial contingencies.

Questions can be sent to awards@cga.msu.edu, or for industry-sponsored programs, contact your liaison at MSU Business Connect or e-mail bconnect@msu.edu. Please also see the Appendix to this document that follows.
Appendix to Managing Project Impacts from COVID-19 Limitations
Providing more information on communicating with sponsors (by type of funding):

Federally funded grant projects
The U.S. Office of Management and Budget (OMB) has issued several flexibilities applicable to Federal grants related to the impacts of COVID-19 on proposals and awards, currently effective through June 19, 2020. Some Federal agencies have implemented that guidance providing flexibilities when consistent policies at the institution support similar approaches. Generally, changes to the statement of work or timeline make it necessary to communicate with sponsors and in most cases require prior approval. The necessary communication will vary based on sponsor, funding mechanism (e.g., grants, cooperative agreements, or contracts) or whether MSU has an existing award or a new award is received.

For awards funded via grants with significant impacts to the ability to complete the Statement of Work from the more limited access to laboratories and other facilities, restrictions on in-person human subjects, or other COVID-19 impacts, communication with sponsors may be expected (if not already completed). Sometimes communicating with a program officer is the first step, but typically, an official communication through the grants officer is required. DOE (Energy) has indicated that changes or delays to project milestones must be included in the progress report. We have heard that because of how widespread the impacts are, another sponsor (NIH) is considering having the Research Performance Progress Report (RPPR) be the mechanism for the communication. If you are completing a progress report, it is advisable to acknowledge specific impacts while communicating progress. We have also heard that agencies are flexible with more time, but supplemental funds are unlikely. Resources by agency can be found on the Sponsored Programs website at: https://osp.msu.edu/PL/Portal/1736/COVID19InformationfromSPAOSPCGA.

Action needed: If the statement of work or timeline for your project needs to be adjusted, please communicate the potential impacts and requested resolution to the Contract and Grant Administration (CGA) Awards Group via email as soon as practicable, at awards@cga.msu.edu. The Awards Group will review your specific scenario and work with you on next steps.

Federal Contracts
OMB has also issued a memorandum encouraging agencies to be flexible with timelines and work solutions. If you have a Federal contract, most likely you already have been in communication with your sponsor if significant impacts from the limited access to laboratories and other facilities, restrictions on in-person human subjects, or other COVID-19 impacts. If not, please follow the action needed outlined under Federal grants.

State of Michigan Grants or Contracts
If you have a State contract, you already may be in communication with your sponsor if your project has significant impacts from the limited access to laboratories and other facilities, restrictions on in-person human subjects, or other COVID-19 impacts. If not, please follow the action needed outlined under Federal grants.

Foundation and Other Non-Profit Sponsors Grants or Contracts
These sponsors should be handled on a case-by-case basis since each award is unique. You already may be in communication with your sponsor if your project has significant impacts COVID-19 related restrictions. If not, please follow the action needed outlined under Federal grants.
**Corporate Contracts**

Very few companies have communicated their expectations for managing project expenses during the COVID-19 pandemic. Every contract with a corporate sponsor is unique, so the ultimate outcome will need to be managed in the context of that specific contract. If you have any questions or concerns about a specific project – please contact Business Connect staff with those questions.

If a project is negatively impacted by reduced access to MSU facilities, it is advisable for project PI’s to be in contact with the sponsor’s scientific contact, to manage expectations, and create a shared understanding and a plan for the good stewardship of sponsor resources during the period of limited laboratory access. When projects reach their end dates, we will submit final reports as required, and hopefully, project goals and objectives will be accomplished to the satisfaction of all parties. In cases where a sponsor has cause to challenge that we have delivered reasonable effort in light of the pandemic, we would then provide documentation of how we made good use of our time, as suggested in the Best Practices section above. For sponsors who remain dissatisfied, we anticipate that the most common scenario will be sponsors granting no-cost extensions to projects, allowing time to complete project goals. In a worst case, and dependent on contract terms and conditions, a sponsor could adhere to the contracted end date and demand some amount of reimbursement. MSU Business Connect and CGA will work with Project PIs to avoid these worst-case outcomes.