



**Standard Operating Procedures & Policies**

Category:	Post-Award
Procedure No.:	500.05
Title:	Allocation of Personnel Costs during Unexpected or Extraordinary Circumstances

**1. Policy Statement**

In a time of unexpected or extraordinary circumstances that results in a significant disruption in research operations (an “Event”), it is possible there may be periods when work on sponsored projects may not be able to be performed. During an Event, U-M may continue to pay salaries, wages, stipends, and benefits (collectively “Personnel Costs”), as directed by U-M HR. This policy allows for the charging of those Personnel Costs to sponsored projects, even though no work on the project is being performed due to the effect of the Event. Whenever this occurs, U-M will consistently charge Personnel Costs to all funding sources (whether Federal, non-Federal, or U-M funds), subject to applicable sponsor regulations and guidelines. For clarity, Personnel Costs include the costs of paid absences from work during an Event.

**2. To Whom this Policy Applies**

This policy applies to faculty, staff, students, graduate students and postdoctoral fellows.

**3. How this Policy is Implemented**

There are three basic scenarios where this policy may be implemented:

*a. Individual Continues to Work on the Sponsored Project*

If an individual works on a sponsored project during an Event, then the individual’s associated Personnel Costs shall be charged proportionately to the funding sources (whether Federal, non-Federal, or U-M) that support the individual’s effort distribution, subject to any applicable sponsor regulations and guidelines. This may include working remotely. Agreed-upon arrangements for remote work must be coordinated with that individual’s supervisor and are subject to applicable U-M HR policies.

*b. Individual Engages in Activities Other than the Sponsored Project*

If an individual is not able to perform any of their work on a sponsored project because of an Event, and the individual is reassigned to other work, then the individual’s effort distribution shall be updated pursuant to the U-M Effort Reporting Policy and the individual’s associated Personnel Costs shall be charged proportionately to the newly identified funding sources (whether Federal, non-Federal or U-M) that support the individual’s updated effort distribution, subject to any applicable sponsor regulations and guidelines. Any changes in effort distribution during the Event must follow U-M Effort Reporting Policy [See <http://finance.umich.edu/finops/payroll/faculty/effort/changes>].

Version No. 1	Implementation Date: 03/20/2020
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Approved by: C. Reynolds, Asst. Vice President for Research	Last Revised By: C. Reynolds



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### *c. Individual is Unable to Work on Sponsored Project or Anything Else*

If an individual is not able to perform any of their work on a sponsored project because of an Event, and the individual is not reassigned to other work, then the individual shall track and document all paid absences from work (pursuant to U-M policy and/or as directed by U-M HR), and the individual's associated Personnel Costs shall be charged to the funding sources (whether Federal, non-Federal, or U-M) that supported the individual's effort distribution at the onset of the Event, subject to any applicable sponsor regulations and guidelines. As a general rule, U-M will allow this arrangement for as long as the individual has benefits sufficient to the purpose.

#### **4. Resources**

ORSP Website: <http://www.orsp.umich.edu>

SPG 501.10 Policy on Effort Certification: <https://spg.umich.edu/policy/501.10>

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