

# OSP Newsflash



**Please read to important notices below.**

**July 02, 2020**

## **New Federal Fringe Benefit Rates**

Yale University's new fringe rates were issued by the Division of Cost Allocation (DCA) on behalf of the Department of Health and Human Services (DHHS). The numbers below reflect the recently negotiated fringe benefit rates. These rates go into effect July 1, 2020 (until amended) and should be reflected in all proposals. The rates are as follows:

### **FY21 Fringe Benefits**

	Fringe Code	Grants and Contracts	University Funds
Salaried	S	29.5%	32.0%
Hourly	H	72.4%	75.1%
No Benefits	P	8.6%	8.0%

Note: The F&A rates in indicated the Agreement dated June 4, 2019 have not changed and are still in effect.

## **Proposal Development (PD) Impact**

The PD module in IRES was updated to reflect the new federally negotiated fringe benefits rates. Please be aware of the following regarding the use/impact of the new rates:

- Budgets that meet the following criteria **must** be updated.
  - PD budgets that were created prior to noon on July 2, 2020 (unless manually edited to reflect the new rates)
  - PD records with the status of "in Development" (indicating the record has not been submitted for routing)

Please follow the steps outlined in the [PD Quick Guide – How Do I Create and Edit Budget](#) (in the Updating Fringe Benefits section, page 42) to update the fringe benefit rates. Note that fringe benefit rates will not be updated unless the steps outlined in the Quick Guide are followed.

The change in fringe benefit rates will not impact budgets that have already been submitted. *PD budgets that have already been submitted to external sponsors cannot be updated at this time.*

If you have any questions, please contact your OSP Proposal Manager.

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## Important Changes to Guidance on Charging Salaries to Federal Awards during COVID-19 Pandemic

On July 2, 2020, important clarification on the expiration of federal flexibilities was distributed. The entire message that was sent to faculty and Lead Administrators this week is below.

### Yale Research

July 2, 2020

To: Faculty and Lead Administrators  
From: Michael C. Crair, Vice Provost for Research  
Stephen C. Murphy, Vice President for Finance and Chief Financial Officer  
cc: All Deans and relevant Deputy Deans  
Scott Strobel, Provost, and Jack Callahan, Senior Vice President for Operations  
Re: Expiration of OMB Salary Charging Flexibility as of June 16, 2020

Please read this important announcement as action may be required.

On June 19th, we communicated to the research community that the OMB issued a memorandum (<https://www.whitehouse.gov/wp-content/uploads/2020/06/M-20-26.pdf>) extending two of the flexibilities that were in the original OMB memorandum (<https://www.whitehouse.gov/wp-content/uploads/2020/03/M-20-17.pdf>) regarding the charging of salaries and benefits to active Federal awards during the COVID-19 pandemic. We indicated that based on the university's policy of salary continuation then in effect, salaries could continue to be charged to sponsored projects for individuals who were not able to come to campus and could not be productive remotely at least until July 10, 2020.

**Based on additional information and a new legal interpretation of the OMB memo, salaries**

**for individuals who are neither productive nor doing work that directly benefits the project are not allowed to be charged to federal awards after June 16, 2020.** Salary charges for faculty and staff who are not able to perform work that benefits the sponsored project(s) to which they have been previously charged should be reallocated no later than July 16, 2020. Please work with your department lead administrator to determine where these salaries should be charged. Additional information will be provided to the lead administrators in the next couple of days.

Salaries of faculty or staff who continue to perform work that benefits and is directly related to a sponsored project, even while working remotely, may continue to be charged to the relevant sponsored project.

We apologize for any confusion we may have caused by our changing guidance regarding the OMB memorandum. If you have any questions or concerns, please contact Lisa Mosley, Executive Director, Office of Sponsored Projects at [lisa.mosley@yale.edu](mailto:lisa.mosley@yale.edu).



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