

Notre Dame Research Expenditure Guidance as a Result of COVID-19 Challenges

Updated 7-19-2020. Newly added text from the previous version has been underlined below.

As detailed in the [June 15 letter](#) from the Executive Leadership, the financial implications from the current pandemic are significant. Even as we prepare to welcome students back to campus, the University is currently projecting a revenue shortfall in excess of \$100 million for this new upcoming fiscal year. These financial challenges are not limited to fiscal year 2021. We anticipate continuing impacts on our budget for the foreseeable future. This document is intended to guide how best to support our research mission in this financial climate, specifically in determining essential expenditures.

Note that this guidance is intended for central funds allocated by NDR and its reporting units; SRI funds, NDR-sponsored internal research awards, endowment payout, gifts and other internal funds. External grant guidance can be found at <https://research.nd.edu/research-continuity/messages-from-vpr/sponsored-program-expenditure-guidance-in-the-context-of-the-covid-19-financial-challenges/>. Guidance on expenditures may be modified in the future if the University's financial outlook changes.

One of the highest priorities of the University of Notre Dame, after guarding the physical health of faculty, staff, and students and promoting high quality distance learning, has been to preserve the strength of our research programs. In fact, there has been a consistent eye toward our ability to take advantage of this situation if possible, provided the University as a whole can weather the storm of the financial challenges of this crisis. Much still remains uncertain about our return to regular business. Given our current situation, the guidance we provide here is in line with these principles and our best estimates of the future.

You will note in the following guidance that much of the funding awarded through internal grants or through centers and institutes is designated as *essential funding*, which gives some discretion in how these funds are spent. However, we urge you to be very good stewards of University resources at this time of significant uncertainty. It is our intent that no funding that has been awarded will be rescinded; only that the expenditure of that funding be delayed in cases when is possible. The University benefits in many ways if the expenditure of essential funds is delayed until the economy is back on a better footing. Endowment funds can rebound instead of being liquidated at depressed valuations. Cash flow can be used for highly essential purposes such as staff salaries instead of for other lower-priority essential items. **In our guidance, we would like you to delay expenditures when possible.** We pledge that unless some unforeseen major negative situation plays out, our commitments to your programs will remain intact.

NDR Criteria to determine essential expenditures on University funds:

We know the research and scholarship that you are undertaking is important. During this financial crisis, importance alone is not a sufficient criterion for granting exceptions to the spending restrictions.

Approval will be based upon: (1) an assessment of the need for the request during the semester instead of at some later time; (2) the **immediate** importance of the request to the University's core mission of teaching and research; and (3) the **potential long-term consequences** to the University of not undertaking the request during the semester.

Examples:

- **Is the expenditure critical to meeting current research deliverables for externally funded awards?**
 - *Examples: Core facilities, internally-funded equipment expenditures utilized for external grants*
- **Is the expenditure critical to adequately maintain the research administration and compliance functions?**
 - *Examples: CITI training modules, licenses to maintain critical administrative systems etc.*
- **Is the University under contractual obligation entered into prior to April 1?**
 - *Examples: Cost share, gift agreements, consulting agreements, software licenses and subscriptions (e.g., Pivot), signed offer letters for salary and start-up*
- **Can the expenditure be postponed, reduced, or eliminated with minimal impact on the organization?**
 - *Examples: Professional development, entertainment, employee meals, equipment replacement or upgrade if still useable*
- **Is the expenditure critical for laboratory safety?**
 - *Examples: Replacement of eyewash stations and required safety training are examples of essential expenditures*
- **Is the expenditure critical to the future growth of research at Notre Dame and cannot be postponed?**
 - *Examples: Seed or POC support dependent on external events, external submission dates, need for rapid response or other timely or seasonal occurrences*

Description and Guidance on Fund Type:

- **Core funds**

- *All expenses currently part of recharge rate are considered essential*
- **Start-up funds**
 - *All expenditures are considered “contractually” obligated through the offer letter. Treat as essential but delay expenditures if possible.*
- **Internal grant awards** provide support to advance new research ideas.
 - *VPR to allow as essential if work cannot be postponed, and no other University restrictions are currently in place.*
 - *Exception to University consultant restriction will be considered if the work cannot be done by internal resources and the effort is essential to the grant.*
- **SRI funds**
 - *Seed funding: delay where possible unless work cannot be postponed, and no other University restrictions are currently in place.*
 - *New seed funding competitions and new awards should be postponed until further notice.*
 - *Supplies and travel expenditures should be made only if they meet one or more of the NDR criteria outlined on page one of this document.*
- **Endowment income and expendable gifts**
 - *Expenditures that support budgeted operations for Center and Institutes should be evaluated similarly to SRIs.*
 - *Seed funding: request postponement where possible otherwise treat as internal awards.*
 - *New seed funding competitions should be postponed until further notice*
 - *Supplies and travel should be evaluated using the NDR criteria*
- **All other NDR funds (University-allocated 100000 funds, discretionary, and other miscellaneous)**
 - *All non-labor expenditures made on these funds should meet one or more of the NDR criteria to determine essential expenditures outlined on page one of this document.*

Several University-mandated financial restrictions apply to all fund types. Clarifying guidance is also provided below.

Personnel:

- Non-regular faculty: Hiring of non-regular faculty is strongly discouraged but will be considered on a case by case basis and made with the recommendation of the VPR and the approval of the Provost.

- Staff: A staff hiring freeze was announced in March, and will remain in effect for the foreseeable future. Any exceptions, which will be very limited (e.g., grant or endowment funded staff), will require Executive Officer approval. There will be no increases to existing salaries related to promotions until further notice.
- Postdoctoral Research Associates: All current postdocs will be funded through the end of their appointment. Renewal of postdocs hired on University funds will be considered on a case by case basis and made with the approval of the Dean or Vice President. Renewal of postdocs on external funds will be approved based on the availability of funds.
- Graduate Students: University funding for graduate students will follow the commitment made in their award letter.
- Undergraduate Students: Support of undergraduate students is allowed with fund approval by the NDR Director of Finance and Administration.

Subcontracts and Consulting Arrangements:

No new contracts or consulting arrangements may be made on any University funds, including restricted funds. There is a notable exception for externally funded grants. Existing consulting or contractual arrangement should be reviewed, and where there is an opportunity to pause or stop these arrangements without significantly negatively impacting research, we should do so. Where necessary, these arrangements may continue. Any exceptions to this guidance will be with the approval of and Executive Officer.

Travel:

The travel policy for all of the University of Notre Dame has been updated and can be found at <https://here.nd.edu/policies/travel/>. The policy strictly restricts limits travel, regardless of the sources of funds. Permission for all University-related travel must be approved by a Dean or Vice President. Approval will be based upon: (1) an assessment of the need for the requested travel during the semester instead of at some later time; (2) the immediate importance of the requested travel to the University's core mission of teaching and research; and (3) the potential long-term consequences to the University of not undertaking the requested travel during the semester.