TO: Federally Funded Principal Investigators, Research Associate Deans, and Departmental Research Administrators

FROM: Pamela A. Webb, Associate VP for Research

SUBJECT: Potential Federal Government Shutdown

DATE: September 27, 2013

At midnight on September 30, 2013, current year funding for the federal government will expire. At that time, and assuming there is no resolution prior to that time, federal agencies will begin implementing their shutdown procedures, in accordance with the U.S. Office of Management and Budget (OMB) Memorandum M-13-22, "Planning for Agency Operations During a Potential Lapse in Appropriations." We anticipate that agencies will post their notices and plans for shutting down operations on their own web sites and listservs. We'll collect that information as well as other shutdown guidance for you on a special 2013 Federal Shutdown web page http://www.ospa.umn.edu/documents/FederalShutdown2013.html, showing how those plans may impact you as a researcher.

We currently expect the following:

- **You should continue to perform work on already-funded federal sponsored projects** (including awards funded with federal dollars flowing through the State, another institution or entity) unless you receive a notice from your funding agency to suspend performance. If you receive such a notice, send a copy to SPA immediately. If SPA receives such a notice, PIs and their departmental contact will be notified immediately. SPA will also work with the PI/department to provide proper guidance to any subrecipients. It is more likely that such suspensions will occur on federal contracts or cooperative agreements than on grants, especially if the shutdown is lengthy, due to the active involvement of federal project directors on such projects.

- **You are still required to prepare and submit (if the agency’s electronic system so permits) any required technical or other reports.** If the agency’s electronic system is not functioning, you should check SPA’s Federal Shutdown web site at http://www.ospa.umn.edu/documents/FederalShutdown2013.html to see if there is any agency-specific guidance about the agency’s preferred handling of such reports. In the absence of any specific guidance, you may mail or email the report to the correct official or hold it until such time that the federal agency resumes business (but you will need to remember to submit it at that time.) In some cases, agencies may require that you upload your reports electronically even if you previously mailed or emailed the report to meet its original deadline.

- **You should not expect to receive any new awards, new funding, time extensions, or any required agency approvals during the period of the federal shutdown.** Any activity that requires an agency approval in advance (e.g., time extension, rebudgeting, approval for a change in effort) should generally not be performed. If you do perform it, PIs, departments and colleges are responsible for assuming the financial risk if the University is not subsequently reimbursed for that cost. The University will not approve pre-award spending requests for new federally-funded awards during the period of the shutdown, but will approve pre-award spending for continuation or renewal awards if the PI/department/college assumes the financial risk. The extent of this risk cannot accurately be judged at this time, and may not be known until after the shutdown is over, so units are urged to be cautious. Pre-award spending for supplements will generally not be approved, but will be considered on a case-by-case basis.
• The availability of federal proposal and award electronic systems (FastLane, NIH Commons, etc.) will be posted by SPA as soon as information becomes available. We have been informed that Grants.Gov will continue to function (at least for NIH and other HHS proposals.) SPA will submit proposals to these systems if the system remains available. Even if these systems are functional, there will be no “Help Desk” support for any problems that might arise. It is therefore particularly important to submit proposals early so that the University has enough time to try to work out any issues without help from federal support staff. Agency personnel will not be processing or reviewing proposals during the shutdown, unless the proposal relates to an authorized shutdown activity.

• The University may not receive payment for work properly performed either prior to the shutdown or during the shutdown until after the Federal Government resumes business. At least one automated federal payment system (for HHS) will continue to function, but we do not yet know about others. The University will absorb at a central level the temporary cash flow deficit that will result, until further notice. PIs, departments and colleges will be responsible for expenses not eventually reimbursed. Per the federal government’s memorandum on the federal shutdown, ongoing work under awards already funded and where no intervention/approvals from a federal official is needed can expect to eventually be reimbursed.

If you have any questions, please don’t hesitate to ask your SPA grant administrator, or Pamela Webb or Kevin McKoskey.