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To: [SPMC Sponsored Program Management Council](#); [University College Research Council](#)
Cc: [Sponsored Program Services](#)
Subject: NYS agency awards- impact of COVID-19 on agency budgets, cash flow
Date: Tuesday, September 29, 2020 12:33:17 PM
Attachments: [image001.png](#)

Dear colleagues:

As many of you know, we have been working diligently to get clarity from our New York State agency sponsors concerning the budgetary impact of the current state budget deficit. From these conversations, we are anticipating at least a 20% reduction in program budgets. We are recommending that campus Sponsored Programs Offices work with their Principal Investigators and Programs Directors to re-budget to 70-80% of their February approved budgets.

For centralized campuses, please be advised of the following with respect to approved New York state funded contracts where the campus does not have the cash to fully backstop the authorized total:

- STEP and CSTEP awards will be established/extended through 12/31/2020 at this stage for a portion of the approved budget as provided below. For other NYS-funded activity, budgets will also be loaded incrementally.
- Out of an abundance of caution given the current NYS budget situation, the total amount we will load for the purposes of the Oracle budget is 60% of the approved contract amount. Of that amount, we will load 50% through 12/31/2020 and we will re-evaluate our environment in November and make necessary adjustments at that point. The balance of the award up to the approved contract amount will be held in an inactive installment. This is consistent with the approach SUNY is using with campus budgets on the state-side.

As an example, if the approved contract amount is \$100k:

- \$40k will be set aside in an inactive installment pending greater clarity in the NYS budget;
 - \$30k will be in an active installment and a budget loaded for use through 12/31/2020; and
 - \$30k will be set aside in another inactive installment for use after 1/1/2021 and adjusted as budgetary/fiscal environment warrant at that time.
- If an at-risk award was established for the activity and the fully executed contract has been received, the backstopping will be reversed so the campus has access to this funding.
 - When these awards are billed by AR, the FS25 needs to be adjusted such that an anticipated 20% reduction of the invoice will equal our expenditures for the period.
 - Cost sharing can be proportionately reduced by the amount of any budget reduction provided the campus has met the 25% requirement at the end of the award. F&A is allowable as cost sharing at 20%.
 - With respect to STEP, CSTEP, and LPP, NYSED officials have acknowledged that campuses ***will not*** be expected to complete the same scope of services given the pending budget reductions. Please

encourage your campus program managers to discuss revised/reduced services with NYSED if they haven't already done so.

These are unusual times and things are changing rapidly as additional information becomes available, we will share it so that everyone has access to the same information. We know there will be questions from your program directors and PIs.

The budget reductions are separate from the issue of NYS agencies holding back 20% of each invoice due to cash flow challenges with some of the agencies.

We will be scheduling a call shortly with campus award establishment, AR, and others for further discussion and to exchange ideas.

Please let me know if you have questions. Many thanks and be well,

Scott

How did I do?



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