

Agency of Education COVID-19-Related Financial Guidance

This FAQ is for fiscal staff managing funds received from the Agency of Education during the COVID-19 pandemic incident.

As of April 10, 2020, updates have been made to questions 1 and 14.

1. Can I continue to use federal funds to pay employees, normally paid with federal funds during COVID-19 school closure?

2 CFR §200.403 requires that costs must meet general criteria in order to be allowable under Federal awards. The criterion detailed in 2 CFR §200.403(c) requires the cost “be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity.” If your entity has a policy or procedure stating that during this closure, employees paid with all other sources of funds will be paid, then it can apply this policy or procedure consistently to employees paid with federal funds. Employees paid with multiple funding sources, should continue to be allocated across funding sources.

[UPDATE, 4/2/20] We suggest that all LEAs review their current policies, procedures and master agreements to determine if the LEA has an existing set of standards regarding paying staff during a school closure. If so, the LEA must follow that set of standards consistently across all funding sources.

If the LEA determines it does not have a current written standard that addresses payment of staff during a school closure we recommend that the LEA develop a written standard as soon as possible.

[UPDATE, 4/9/20] The [Fact Sheet](#) released by USED on April 8, 2020, refers to the written standard as a policy not as a procedure. The Fact Sheet also confirms that an employee who is being paid with Federal grant funds while the program grant activities are closed in whole or in part due to the COVID-19 pandemic may not also be paid for the time during which the program is closed by the organization or another organization for working on other activities that are not closed down.

2. How should childcare costs for Essential Persons be tracked at school districts?

Per [Supplemental Guidance for Superintendents: Child Care for Essential Persons](#), SU/SDs should track expenses incurred by the SU/SD in the provision of child care to essential persons. The project code for tracking COVID-19 expenditures is 19000000.

Contact Information:

If you have questions about this document or would like additional information please contact:

Kathy Flanagan at kathy.flanagan@vermont.gov or John Leu at john.leu@vermont.gov

3. Should schools be tracking costs related to COVID-19? What are those costs? What if I am unsure if something is a COVID cost? Who should I contact?

It is prudent to track costs in anticipation of being asked to specify or justify COVID-19 costs. We also suggest Business Managers communicate/collaborate through VASBO.

4. Are reimbursement requests still going to be processed for payment?

Yes, we anticipate no delays in reimbursements to the field.

5. What if we have questions about submitting a reimbursement request? Will AOE staff be available to answer questions/help?

Yes. In addition to covering the office for a couple of hours each morning, all Business Office team members are working remotely. The best way to get in touch with any of them is through email. Names of grant accounting staff are located on grant award documents.

6. I have my reimbursement request ready to submit but because we are all working from home I am unable to get the Business Manager's or Superintendent's signature. Will the AOE accept an unsigned report?

The short answer is no, we will still need an authorized signature or approval. Given this situation, we would accept an e-signature if available. If that is not available, then we would accept an email from the Business Manager or Superintendent authorizing the submission of the report. Please reference the grant number in the email and email to AOE.SDE@vermont.gov.

7. If I have a fiscal-related question, how should I contact the Finance Team?

Please check with your Business Manager first.

Business Managers: For normal business questions that are not COVID-19-related, please contact the Finance Team via email to [John Leu](#) if grants/amendments/reimbursements/, [Bob Coathup](#) if fiscal monitoring, or [Sean Cousino](#) if uniform chart of accounts.

8. How do I claim meals served?

[UPDATE, 4/8/20] Please consult [SFSP Claim for Reimbursement Submission: Illustrated Step-by-Step Guide](#) and [SFSP Claim Submission Training](#).

9. Are busing costs for food delivery allowable for reimbursement? How should this cost be reported?

[UPDATE, 4/8/20] The statutes and rules do not currently allow claiming these as allowable transportation reimbursable costs. However, please use Project Code 19000000

to track COVID-19-related expenses. The legislature is aware of this as an issue and is considering it.

[UPDATE, 4/8/20] There is no federal additional reimbursement for home delivery or mobile meals delivery, but related expenses, such as postage or delivery service fees, would be considered an allowable cost under the SFSP or SSO. Delivery costs could also be paid with non-program funds such as State or local funds, or private donations.

10. How should schools report costs related to mental health services for students and families (inter-agency funding)?

If it is a new mental health service resulting from school closure due to COVID-19, it should be tracked as a COVID-19 cost using project code 19000000.

If it is a mental health service that would have been provided regardless of the school closure (regardless of whether the service delivery format has changed, for example from face-to-face to by-phone), it should be reported in the normal fashion but still using project code 19000000 until it is determined that these mandated closure days will be counted as part of the required 175 session days. If, as expected, a waiver is procured to count these days as session days, these costs will no longer be considered COVID-19-related.

11. How should schools/SUs categorize closures when they provide Medicaid services?

The SU is required to maintain Medicaid logs and reporting even during closures. Continue to operate under current parameters. Please see [Virtual Special Education Services Reimbursable through Medicaid FAQs](#).

12. How do we complete Time and Effort for teachers that are partially or fully paid with federal grants?

Periodic certifications (PC): Periodic Certifications are treated in the normal fashion, by completing them at the end of the school year.

Personnel Activity Reports (PARS): Please report COVID-19 as a cost objective for the time the schools were closed. Otherwise, keep reporting your actual time using appropriate cost objectives. Note: Now that the work is remote, some staff may work on different cost objectives than they did before. We recommend you review the cost objectives for employees working on multiple cost objectives and make changes as appropriate.

Schoolwide PARS: During a traditional education delivery, it is required that teachers working on multiple schoolwide plans report time spent at each school under a separate cost objective. We understand the change to remote learning may result in one work activity benefitting multiple schoolwide schools. In this case, we recommend teachers

record the time spent by dividing the time between the number of schools that received the benefit. For example: if you have three schoolwide plans and one three-hour activity benefits all three schools, the employee would record one hour under each schoolwide cost objective.

12.a. What if a staff member's duties change because they are working remotely?

[UPDATE 4/2/20] Assuming the employee is paid in whole or in part with Federal funds, 2 CFR §200.430(i) requires the employee's time and effort must accurately reflect the work as performed. If the employee's revised duties require a new cost objective, the employee must add this cost objective to their time and effort and report accordingly.

Please remember:

- If the revised duty represents a change to your approved grant award, you must submit a grant amendment by April 15, 2020.
- If the employee is using a Periodic Time Certification and the revised duty adds an additional cost objective, the employee will need to start recording their time on a Personnel Activity Report (PAR). In this case, the employee should sign the Periodic Certification for the time period they worked solely on one cost objective and begin recording their time on a PAR immediately. The time period covered on the PC and PAR must not overlap.

13. Can I get an extension for submitting the single audit to the Federal Audit Clearinghouse?

Yes. On March 19, 2020, the Office of Management and Budget released memo M-20-17 that, in section #13, authorizes the maximum delay of six (6) months beyond the regular due date for submitting the single audit to the Federal Audit Clearinghouse (FAC). The extension applies to recipients and subrecipients that had not yet filed their single audit as of March 19, 2020, and applies to subrecipients whose fiscal year-ends June 30, 2020. The subrecipient should notify each pass-through, in writing (email okay), of its decision to use the extension with an estimated date that they will submit the audit to the Federal Audit Clearinghouse (FAC).

14. My LEA has purchased plane tickets with Federal grant funds to attend a PD event that has now been cancelled or moved to an online format. Can I still charge the cost of the airfare to the grant?

[UPDATE 4/10] Yes, provided that a grantee or subgrantee first seeks to recover nonrefundable costs (e.g., travel, registration fees) associated with a grant from the Department from the relevant entity that charged the fee (e.g., airline, hotel, conference organizer). Some businesses are offering flexibility with regard to refunds, credits, and

other remedies for losses due to the COVID-19 outbreak. Moreover, many agreements or contracts for conferences, training, or other activities related to a grant contain an emergency or “act of God” provision, and the grantee and its subgrantees must seek to exercise those clauses to the extent possible in light of the COVID-19 outbreak.

If a grantee or subgrantee is unable to recover the costs, the grantee or subgrantee may charge the appropriate grant for the cancellation costs, provided the costs were reasonable and incurred in order to carry out an allowable activity under the grant, consistent with the Federal cost principles described in 2 CFR Part 200 Subpart E of the Uniform Administrative Requirements, Cost Principles, And Audit Requirements For Federal Awards (Uniform Guidance).

Grantees and subgrantees should not assume additional funds will be available should the charging of cancellation or other fees result in a shortage of funds to eventually carry out the event or travel. Grantees and subgrantees must maintain appropriate records and cost documentation as required by 2 CFR § 200.302 (financial management) and 2 CFR § 200.333 (retention requirements for records) to substantiate the charging of any cancellation or other fees related to the interruption of operations or services.

15. If a grantee or subgrantee is unable to recover the costs, the grantee or subgrantee may charge the appropriate grant for the cancellation costs, provided the costs were reasonable and incurred in order to carry out an allowable activity under the grant, consistent with the Federal cost principles described in 2 CFR Part 200 Subpart E of the Uniform Administrative Requirements, Cost Principles, And Audit Requirements For Federal Awards (Uniform Guidance).

16. Are grant amendments going to be allowed?

Yes, following normal rules, grant amendments are required for changes in investments and budgets.

17. What is the deadline for submitting an amendment to a Federal or State Grant Award?

Applications need to be submitted to the AOE by close of business on April 15, 2020. This represents an additional two weeks to the normal deadline. Amendment Guidance will be coming out soon.

18. Can I hold/carry over unspent grant funds?

Federal formula grant balances will be treated as normal and added to the FY21 available dollars, same as happens currently

Federal discretionary grant balances are lost to a subgrantee at the end of their grant period, same as happens currently.

State funded grant balances are lost to a subgrantee at the end of their grant period, same as happens currently.

19. Do I need an amendment to change the budget or investments of my grant and will I still need to wait for final approval before I can begin to obligate?

Yes. Grant amendments are required under the same rules as normal. However, due to COVID-19, the AOE has extended the amendment submission deadline to April 15, 2020. In addition, the Agency will allow for amendments to be considered substantially approved upon receipt for all Federal formula grants and state grants. This means that, upon submission of the amendment, it will be considered substantially approved and you may begin to obligate the funds. However, substantial approval is not the same as final approval. It is important to remember that there is risk involved during the time between substantial approval and final approval. If an investment does not receive final approval, the expenditure cannot be paid for using the grant funds. Unfortunately, the Agency is not authorized to extend this flexibility for Federal discretionary grants. Please contact your AOE Grants Program Manager if you are unsure if your Federal grant is considered a formula grant or a discretionary grant.

The amendment extension and the availability of substantial approval for Federal formula grants and State grants will be extended through April 15, 2020, at which time the Agency will review and determine if a further extension is required.

20. Does Supplement not Supplant still apply?

Unless we receive any revised guidance from US DOE, current regulations and requirements apply.

21. Do the normal Federal, State, and Local procurement procedures still apply?

At this time, the current federal regulations for federal procurement, the state bid law, and local procurement procedures still apply.

Please note that the federal regulations found at 2 CFR §200.320(f) allow for the use of “non-competitive” procurement in four instances, one of which is for “the public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation.” Each subrecipient will need to determine if their specific procurement circumstances meet this standard and, as always, must document their process. Please check your local procurement procedures to be sure there are no further restrictions on the use of non-competitive procurement with Federal funds.

The Vermont State Public bid law found at Title 16 §559 still applies. Please note that the emergency exception included in Title 16 §559(e)(3) is available only for “emergency repairs”. If the LEA determines it is unable to comply with the VT public bid law due to the emergency nature of COVID-19, it must submit a bid waiver request to the VT

Agency of Education. Bid waivers should be sent to [Abby Houle](#). The Agency will consider and respond to each request.

22. Can schools use already-awarded grant funds to purchase equipment to aid in remote/virtual learning (ex. Mobile hotspot devices, laptops, etc.)?

This question is pending federal guidance.

23. Will there be any relief from the 15% carryover limit for Title I?

Unless we receive any revised guidance from US DOE, current regulations and requirements apply.

24. Do you anticipate new federal or state funds to become available?

[UPDATE 4/2/20] Federal funds under the CARES Act will be available, although the timeline is still unknown. Our current understanding is that there will be approximately \$30 million dollars with at least 90% available for distribution to the LEAs.

23.a. How much CARES Act funding will be coming to my district?

CARES Act funds will be distributed to LEAs based on the SFY20 Title I allocations. A rough look at SFY20 compared to what we believe we might be receiving would indicate that you can do projections based on approximately 80% of your current year Title I allocation.

25. Will grant payments change from reimbursement to issuance of grant balances?

No. Payments to subrecipients will continue to be made consistent with current grant payment provisions.

26. Do you anticipate any delay in payments for High School Completion or other statutory payments?

No. Payments are expected to be processed as normal.

27. We're working remotely – do I have to get a Superintendent's signature on a new grant?

Yes. Either an inked or electronic signature on the document. Only the Superintendent has the authority in the LEA to sign a grant.

28. How often will this FAQ be updated?

We will be updating this Fiscal Guidance on Wednesdays and Fridays as questions are received and pertinent information is made available to the Agency.

29. During Remote Learning, our LEA is requiring our staff to work only 5 hours, but is paying them for 7.5 hours. Can we use Federal Funds to pay for time staff are not required to work?

An LEA may use Federal funds to pay for this time under the following conditions:

The LEA has a written standard that applies to staff consistently across all funding sources. The standard clearly states that these staff will all be reimbursed for ___ hours of time not worked due to the COVID -19 remote learning circumstances.

For employees paid in whole or in part with Federal funds, time and effort records must be kept for 100% of the employee’s time

- a. For staff using PARS, time for the COVID pay is recorded on the PAR under the separate cost objective “COVID-19 Remote Learning Time Reduction in Hours”
- b. For staff with Periodic Certifications, no changes to the time and effort will be required as long as no other work duties are added to their schedule.

The “COVID-19 Remote Learning Reduction in Hours” may be paid using federal grant funding based on a prorated methodology allocated across appropriate funding sources for that individual.

Please be aware, the LEA cannot:

Apply this standard only to staff paid with federal funds. The standard must be applied consistently across all funding sources.

Assign tasks to staff during the time that would be unallowable to the Federal funding source(s)

30. Will the deadline for the close out reports be extended?

No. Closeout reports will still be required to be filed within 60 days after the end date of the grant.