

Fiscal Management During the COVID-19 Emergency: A Follow-Up Conversation

Dr. Deborah Bergeron: Good afternoon, or good morning, wherever you are. It is wonderful to be together again to follow up on our webinar from last week. We had a lot of questions submitted — it's Dr. B. by the way — and so we are back together, same group as last week, here to go through a lot of the questions that we received. Before we get started, I just want you to know that we're really going to focus on the questions that we got last week.

We got hundreds of them; we've bucketed them and went through them and we're prepared to address just about every issue that was brought up. That's probably going to take most of our time. So if there are questions that don't seem to be on, you know, in our presentation that you want to put in the Q&A box, please feel free to do it. Just like last week, we'll review that if we have time, or if something pops up that seems to weave into one of our conversations we'll certainly do that.

Our goal is to get you as many answers as possible, but we also want to make sure we make the most of the time that we have here today. Also, as you know, this is a focus on fiscal issues, but we do have a couple of programmatic — just very high-level things that we'll talk about, but just know that this is really coming out of last week's conversation. So these are question and answer — this is a Q&A really dedicated to a follow up from last week. So, without further ado, we're going to jump in and just like last week, we've got ...

I'm here, and Ann's on the line with us to address some issues. Colleen and Heather and Belinda — all here to answer your questions. And yes, this is Care's Act specific and yes, it is fiscal specific, but just a couple of things before we jump into fiscal, I wanted to cover a couple of programmatic things that I think are worth mentioning. Reopening is a discussion across the country. One ...

I guess the biggest thing for me to say around this is we are not mandating opening or closing. We wouldn't do that; this has got to be a local decision. So it's really important that you are tightly connected to your local health folks, your state ... Almost every state is coming up with some kind of phased reopening plan and you're going to have to follow whatever your state is saying. We would — we wouldn't want to undermine that to make sure you're in touch with your state to know what that phasing looks like. And then there's this document that the CDC put out, which is a nice decision tree.

It's pretty high level so it's not going to get into the weeds, but it can give you some really good guidance around ... Go through these steps. If you've done these things, then move to the next step. If you haven't, you need to stop and finish that piece before you go on. We are going to — we are working on some more detailed guidance around reopening, but we're probably going to stay pretty high level because there are communities, if they have a lot of community spreads, that is a very different scenario than a community that doesn't have very many instances of COVID.

So, and that's going to be true at the local community level and it's going to be true at the state level. So this is a really, dynamic issue and we don't want to be too tightly connect — committed to one specific thing if it's not going to work for everybody. So we're going to stay very high level around our guidance here. The most important thing, as I said in the beginning, is we are not telling you you have to open, or you may not open. We really need you to use your best discretion based on your community situation.

And then one of the things that I wanted to just kind of highlight for you, these are just a couple of examples. We're seeing so many states and localities be very, very responsive about child care and Head Start fits under that umbrella I think pretty nicely. So, you know, you've got Illinois that has a very specific phasing opening and Chicago, in particular, has child care reopening guidelines. North Carolina ...

And these are obviously just a few examples, but I wanted to just highlight this so that — that you make sure that you are in touch with your own state and then your own locality, because these guidelines are popping up everywhere and they're going to really help you make these decisions. Of course, you know, keeping in touch with your local school system is another good thing to do, but I'm kind of seeing Head Start as maybe being on another path to reopening then a school system might be.

So that — that might look a little different, depends where you are and what your situation is. But please make sure you look into these things as you're considering reopening. I think you're — you'll find them very helpful. And then just some other hot topics around programs that, you know, these are just themes that we're hearing over and over. Ratios vary. We've got states that have set the ratios lower than others, higher elsewhere so you're going to have to follow those ratios, but Head Start's consistent about two staff at all times regardless of the group size. So what we don't want is you to put one teacher with 10 children.

So keep that in mind. And we do know that that's going to create a resource shift, it ... And those are things that we are expecting and we know it's going to be a challenge and ratios are going to affect space and everything else. So, but — but the importance of having two adults — adults presence — present is absolutely an essential from the Office of Head Start's point of view.

Ann Linehan: Hey Dr. B., that's for our — that's for our preschool classrooms and for our Early Head Start was still maintaining the ratio of one teacher to every four infants and toddlers.

Dr. Bergeron: Right, right. Yeah. Good distinction. Thank you for that and, Ann, you know, since you chimed in, do you want to talk a little bit about the child screening piece? You've talked a lot about this and I think you have some really good thoughts about it. And I think it might help folks get sort of a sense of what they're supposed to be doing.

Ann: Well I think this — I think many, many programs are certainly worried about, you know, gee, we've got standards that talk about doing things within 45 days, doing things within 90 days, and what we want — what we believe is those screenings are really important, as are the assessments. So what we know is this year, there are obstacles and there are external barriers that may make those, the timing of those things, a challenge. What we care about is the effort

to support particularly around I think of well baby checks, kids getting back on their schedules, EPSDT schedules.

Supporting parents trying to overcome the barriers, looking at alternative ways of maybe where observations can be done. Again, what we want programs to do is not worry about, "I have to do something within 45 days," or it is not about the — the fear of not doing something on time. These are unusual times. It's about the intentionality that you say, "Gee, what — how can we go about our child — our child screenings and assessments this year. What's going to look different?"

And what we care about is that you have, however you manage these, that you do it in a thoughtful way, and you document your rationale for what you did. So we are acknowledging that there are barriers, the same thing with the health and dental, which so many people have talked about toothbrushing. Well, we know the toothbrushing, the CDC says, you know, forget about it right now, but that doesn't mean that oral health is not an important component of something that you can do with children and families without the toothbrush being in the classroom or — or, you know, in the center.

So again, if you can't do something that you used to you do, what is it that you can do to still accomplish that level of awareness of importance, but that's something that families need to be concerned about.

Dr. Bergeron: Yeah, and I think really remembering that CDC guidance is put out in a very generic form for all populations. We serve a very specific population and when toothbrushing, for example, is set aside as maybe not a priority, and we certainly understand the safety piece of that, but we need to remember that a lot of our children are living in households where they're getting zero exposure to that. So if you completely take that out of the, you know, the responsibility loop, then you're talking about children who are going to develop enormous oral health problems, which can lead to extremely — extreme, significant health issue. So we have to think outside the box on this as Head Start, just because of the nature of the population we serve.

And we want to make sure that our kids are as healthy as they can be. So I love that — that sort of sentiment look for the spirit of the guidance — I mean, the spirit of the — of the standard. Why does it exist? OK, so you can't do it this way because of all of these physical restrictions that we need to put in place because of safety, but what can you do instead, and really thinking differently than maybe you've thought before, and taking on that responsibility and it isn't about compliance. It isn't about monitoring; it's about Head Start continuing to be the good steward that it is.

So if you think — if you can think of it that way, I think you'll find solutions in all of these things. And you know, attendance and enrollment is very similar. We're going to see very different ratios. We're going to be able to serve different numbers of children for different amounts of time. Those are all things that we're going to have to consider as we move forward, and ...

Ann: And I think — I think we're going to see lots of variation and we know that programs don't have the answers right today then [Inaudible] about how, you know, they have a funded enrollment. How many kids are they actually going to be able to serve? How many kids can they

serve in the center? How many kids can they serve in other ways, and — and locally designed options. We know that folks are in this thinking mode about how — what can they accomplish to serve the maximum amount of children they are capable of serving under the circumstances? You should — you should be concerned about your — your own planning and not sort of what we're worried about.

What we want to understand is how are you going to accomplish it and what your program planning is. We know there are going to be variations. I think that the last thing, if I could just get in here, there's a little telephone there. We have talked about eligibility, we have talked about how difficult it is to do it remotely. Even in the regulation itself, it allows for phone interviews.

So for those of you that are not being able to recruit by — by visiting or canvassing, you can — you can do it by phone. And again, what we have encouraged is if you're making a determination that a family is eligible and they can't pass papers around or fax you things, then document what it is you did to make that determination. Again, it is the spirit of being able to serve children, reach the neediest, and overcome all the obstacles that are kind of in front of us in a way that makes sense for your community.

Dr. Bergeron: Right, and, you know, speaking of community, I saw a question in there that — that said, "Are we going to reduce the ratio from 20 to 10 like the CDC has suggested?" And again, we are not going to put out standards that could undermine a locality or state's guidance. We ... The states themselves, are going to determine new child care standards in a number of different ways. And of course a locality can even come up with their own ratios if they want to that are different than the states. So we ...

I can't emphasize enough how important it is for you to be very closely tied to your local health department guidance in any rules that are ... A county, for example, We've seen cities take on their own approach. And then of course the governors with coming up with their state standards that — that might be different during this crisis, but we need to be respectful of those needing to be local decisions.

So it's really, really important that — that you do that. Absent of that if you're in an — in a state that hasn't come up with something like that, which I — I — I think all have at least addressed it at some level, but if you feel you don't have that support, the CDC guidance is certainly there for you. So you certainly can fall back on that. But what we don't want to do is come up with a very tight box in which every Head Start should fit when we know each of you is in your own locality with your own issues, and we don't want to undermine your ability to adapt at the local level.

So that's, you know, extremely important.

Ann: Dr. B., before we hand it off to Colleen, I just want to say we are coming out probably this week with some guidance or help with guidance on transportation. So, I think at this point we probably need to shift to our fiscal portion.

Dr. Bergeron: Absolutely.

Ann: Colleen take it away.

Colleen Rathgeb: OK. Hey everybody. This is Colleen Rathgeb. I'm happy to be with you and thank you. As Ann and Debbie said, we got tons of questions in last week's webinar and – and so hopefully some has been, you know, clarified when folks finished the webinar or when they looked back at the PI. But we want to clarify, specifically, we got a lot of questions, asking about the amount, which is completely reasonable and a very important thing for everybody to be wanting to nail down, and so I just wanted to run through that. Again, to make sure everybody is understanding.

So all of the Cares Act funding will be coming to grantees in that — in one formula amount. And we got a really good question: Somebody had asked if COVID funding — or COVID-19 funding — is that the same thing as Care Acts funding? Are there multiple things? And, great — great, pointing out that we, yeah, we're using these terms synonymously as if everybody, you know, is — is familiar with names of laws, which is obviously silly if you're outside of Washington. But when we talk about COVID-19 funding or we talk about the Cares Act funding, which is one of the bills that was put in place to — to deal with COVID-19, it is the same thing.

So this is money that was allocated by this — by this law to deal with COVID-19. So they are one in the same. And so big thing for folks understand, it will all be coming in one formula amount. So that is for ... The formula is based on the federal funded enrollment for all grantees. It is going to be the same if you're a year-round program or a part-year program, if you're migrant and seasonal program, if you're an AAN program.

If you are a program that does only Early Head Start or program that does only Head Start, a program that does a combination of Head Start, Early Head Start, Early Head Start child care partnership, any kind of the program is going to get the — the — the formula amount. Is it — it's going to be the same and it is based on your federal funded enrollment. So that is your — your current federal funded enrollment and we understand if programs may not be serving all of the children right now that they are funded to be serving and we understand that, but it is going to be based on the — the — the funded enrollment for your program in all of those — those different slots.

So if programs applied to — to run a summer program, or if a program didn't, they're still going to be getting the — the new way that we have decided to — to put out the funding to give them more flexibility to programs is going to be just the one amount. It is every slot that you're funded for federally will be receiving approximately \$875. So again, all of the different types of slots that we have out there, all will receive the same amount, and this is the total amount that will be received specifically for the prep — the preparing, responding, preventing COVID-19. It replaces any other applications that we're in or the amount that you — you had already been expecting to get a smaller amount.

This again is not on top of that; it's the new total and Heather's going to talk more in a minute about how that process will work. But we just want people to understand, you know, what the amount will be. We think this — this funding will be able to support summer programs in those places where they're able to open safely.

And we really think it is still critically important for — for children to be able to get Head Start services if they can — whether that is through a full-fledged summer supplement program, which we think will be — would be fantastic and places that that can happen.

We're so worried about that — that — that school readiness gap that is going to just be exacerbated with kids being out of — out of Head Start for so long and so really hope that's going to be able to happen. But that will allow programs to — to be able to decide if they can — can run the summer program, even if they hadn't been planning it, or see if there's other things they can do this summer even if they can't fully open a — a program in person, if there's other virtual supports they can, or other things they can continue over the summer to help that — that gap.

One other thing we got as a question about whether, because the funding was coming out for, based on your — your slots for Head Start, Early Head Start, if people got those amounts, did they have send it — spend a certain portion on their Head Start children and assertions — certain portion on the Early Head Start children?

Or did they have to focus on rising kindergartners specifically, or, how exactly that funding that came. While the — the formula's based on your enrollment for all of the different types, it's going to come to grantees all in one can, and Heather's going to talk about that a little bit more, but it is ... You do not ... There isn't any expectation that a set prescribed amount is — is used for Head Start children or a set prescribed amount for Early Head Start children. It is the grantees responsibility to, you know, to make the decisions where the — what the funding is — is most critical for them to use that for. But it is not ...

We're not putting any prescription on exactly how that has to be spent in that breakout. There were couple other questions I wanted to — to — to address. A few people asked, "How this funding, or the amount of this funding, interacts with the quality improvement funds and the fact that the — the quality improvement funds were based on a small or amount per slot." Just want to be clear, these are totally separate funding streams.

So the quality improvement amounts that were allocated and, folks are going to be receiving this summer, that is separate money from this that is ongoing money that is expected that people will make investments in that year after year are going to be able to improve the quality of their programs. Where this funding, this amount is one-time funding. It will not be added to grantees base, it will — will not be an ongoing amount. And so this is just a one time — one-time infusion of funds to deal with this crisis.

And, we had another question that was really great. Someone asked if you, next year, if they — if they found this funding, maybe it wasn't enough to run the summer program and to do some of the other things that they were looking at, did they — could they use their base allocation, part of that to be preparing their classrooms for next year? And absolutely that — absolutely this is, you know, a special infusion of funds to support the needs around COVID, but we absolutely understand, as Ann and Debbie were talking at the beginning, we understand there's going to be a lot of things that looked at — potentially look different in some programs around ratios or other things that may go beyond just this — this allocation of funding that would need to be used for. So we really encourage programs to also — to be staying in touch and talking

with the regional offices around — around their needs and these, you know, these funds. But — but I think just my main point before I turn it to Heather is just hoping that folks understand, this — this one-time amount that will be coming out will be the one formula amount of funding that Heather's going to talk a little bit more about actually how folks will see it and how they will start to — to have that come into their accounts. Heather?

Heather Wanderski: All right. Thanks Coleen. So I — and I want to just to reiterate some of the — the points that Colleen was making about this funding information, because I know we did end up with a lot of questions around the mechanics and how will this all work. So, as Colleen mentioned, every grantee will be awarded a proportionate amount based on their total funded enrollment and that we will not be adding an additional application to this process. Funds will all be added to your existing supplement.

Again, it's not a new grant; it is a supplement that will be added to your existing grants. It is one time — it is a one-time application that is already available to you and HSES under the application tab. So what I'm asking grantees to do in order to help us prepare for adding the additional funds to these applications is that we need you to check the status of those applications. If the, and I, my under — I think the last check that we had, we sent out an e-blast to those in which the grantee still had those applications with them.

We need them to be returned to the regional office soon as possible so the funds can be added to those applications. We expect that new amounts will be available at the beginning of the upcoming week. So probably Monday or Tuesday, we will be able to add all of the funding to those applications, but we can't do so unless those applications are returned to the regional office. And as Colleen mentioned, there will not be any separate summer supplement that needs to be submitted.

All of the funding will be awarded under the one-time applications. And so very specifically how the mechanics of that will work is once the funds, the new total amount is added to these one-time supplements the applications will be returned back to the grantees so that you all will see the amount — the new amounts that are available to your organization. There will not be a separate funding guidance letter issued. So this is the guidance that we are providing to you. Once those applications are returned to you with the new dollar amount, if you are an existing grantee operating and you're in your current fiscal year of 2019, there will be a tab available for you to, again, indicate if you — if you need the funds prior to the start of your Fiscal Year 2020 budget period.

If you do not, you can leave that box empty, but if you do need that, please make sure to denote that on the summary tab of your application. You will have the flexibility to move funds between object class categories, if needed. No other additional information is needed in this application. So no governing body approvals are necessary. You can request a non-federal match waiver by entering \$0 dollars on the SF424 and 424A, and the only other information that is needed is if you are planning to use any of the funds for the purchase of equipment, or if you're proposing to use funds to purchase, construct, or complete a major renovation of a facility, then you will need to provide a budget narrative.

Otherwise, there is no program narrative and no budget narrative needed and that you can return the application back to the regional office once you've checked the dollar amounts and — and noted this additional information. We're asking the, and the instructions that when they get sent back to you, we're asking that they be returned by June 8th of 2020, so that we can start to make these awards as soon as possible. And then as Colleen has mentioned again, funds will be awarded through a separate accounting number and that, because there are going to be awarded under one accounting number there's no separate need for tracking Head Start and Early Head Start expenses separately because it's all being awarded under one accounting code.

And if — if you are operating and — and you have used your existing operations funds, they can, as you know, be used to cover allowable, COVID-related expenses. If you want to receive the actual funds within your grant and you can make adjustments to apply those COVID-related expenses to the new accounting code. Once the funds are received, however, it's not necessary, if you anticipate that you will have additional COVID-related expenses in the future. That is a — that is a programmatic decision.

But essentially there is no end date for the use of funds. Funds can continue to be used as long as it's to prevent, prepare for, and respond to coronavirus. And that, if your budget period ends we are certainly able to entertain a carry-over requests in those situations, or if your project period ends, there's also the possibility of a no-cost extension and that you would need to continue to ask, or be in contact with your program specialists about, and your fiscal specialist about the need for entertaining carry over and no-cost extensions based on your situation. And — and just to clarify, again, and particularly to this application, there is ...

We are — we're open to entertaining non-federal match waivers. You only need to enter \$0 on the SF424 and 424A. The same guidance is applicable to your COLA and quality applications, as well as, and we'll be covering this a little bit later related to the abbreviated or the abbreviated applications that are submitted for noncompeting continuation applications.

But again, we'll cover that in just a little bit. If you need a non-federal match waiver for your existing — existing grant in which we've already indicated you are required to meet a specific dollar amount of match, then you would need to submit a budget revision to the regional office and apply — a separate application asking for a non-federal match waiver for funds or match that has — has already been placed on a Notice of Award. So, I hope that helps to clarify things. So, I think I'm going to, at this point, turn it over to Belinda who's going to, I think, talk a little bit more about the OHS Fiscal Flexibilities Information Memorandum. So, Belinda?

Belinda Rinker: Great. Thank you Heather. So, I do want to point out OHS Fiscal Flexibilities Information Memorandum 20-03, which is available on the Early Childhood Learning and Knowledge Center. It was posted last Thursday so you may not have had a chance to review it, but as I'm looking over the questions that we received last week and some of the ones that we're receiving today, I do notice that many of those questions will be answered once folks have had a time to carefully review the information in that IM. So if you haven't done so you'll want to spend some time with that IM.

I do want to highlight some of the areas of the IM where we received fairly large numbers of questions last week. So the first area that I want to highlight is the abbreviated noncompetitive continuation requests. And I think I'm going to bounce it back to Heather to go over we're that, but I do have one question for you, Heather, that I see coming in. We're going to talk about equipment purchases under \$25,000, which is a flexibility in the IM. But if folks are purchasing equipment less than \$25,000, do they need to include that in their narrative?

Heather: The answer to that is no, they do not need to include that in their narrative if it falls less than \$25,000. If it's equipment purchase that is over \$25,000, then yes, then we would need to see that — that explanation in there. And then I, I'm going to go ahead and talk then — thanks Belinda — about item No. 4 in this Information Memorandum specifically around the abbreviated non-competitive continuation requests.

This applies only to abbreviated applications or only to applications due between April 1st and December the 30th. It is only applicable to continuation applications; it's not applicable to competitive or baseline applications. So I just want to make sure folks are clear that these abbreviated instructions are only for continuation applications due between April 1st and December 30th. And if you have questions, these specific instructions are already included in the grant application instructions. They are specific to ...

If an — if an organization is applying for a grant that is less than six months, we've adopted those flexibilities for these continuation requests, but ultimately the required components would be the budget and program schedule tabs within the application, the budget justification of the grant application instructions, so that Section 2 will still be required. And then there's a chart on Page 4 of the application instructions that identifies the other applicable tabs and supporting documents that still need to be uploaded with the grant application.

So while a program narrative is not needed for the application, there are other requirements of the — of the application that are still needed. For example, the self-assessment, the annual report to the public, those are things that are still required for continuation applications that need to be include.

Again, the non-federal match waivers can be requested through \$0 — by entering \$0 in the 424 and the 424A and then we're also extending the flexibility for a statement confirming governing body approval, and policy council members that — that they're available, for contact and have given approval for the application that is applicable to these continuation applications. So again, just wanted to clarify, we got a lot of questions about the continuation application, so I wanted to be very specific and provide this additional information to folks. So, at this point, I'm going to turn it back over to Belinda.

Thank you.

Belinda: Thanks, Heather. I want to talk a little bit about an area where we did see several questions come in. One of the questions was, "What's the definition of equipment?" Which is, from the uniform guidance, and the definition of equipment is any item with a useful life of one year or more at a cost of \$5,000 or more. So anything that falls below that \$5,000 threshold is considered either materials for supplies. But within the IM there is a section, item No. 7, that addresses some very specific prior approval waivers and flexibilities that are available to Head

Start grantees. And the first one is that grantees may purchase the equipment needed to respond to COVID-19.

So again, this is equipment necessary to prepare for, respond to COVID-19 with a value up to \$25,000 without prior ACF approval through December 31st. So as Heather noted, if you're purchasing equipment below 25,000, you don't need to include that in your budget narrative. But remember, you're still subject to the equipment inventory requirements of the uniform guidance, and anything over 5,000 needs to go onto that equipment inventory as well. This item also waived prior approval for budget transfers between direct cost category for an amount up to \$1 million between January 20th and December 31st of 2020. The previous threshold had been 250,000.

And particularly for some of our larger grantees who need flexibility to respond to COVID-19 we have increased that threshold. So that's an aggregate within any individual budget period. So you can make several shifts, but once you reach that \$1 million threshold, you would have to get prior approval for any further budget modifications. In addition, grantees are authorized to engage in sole-source purchasing through December 31st if that's necessary to obtain goods and services needed for COVID-19 response and recovery.

We know that the market is difficult in terms of some of the protective equipment, other kinds of things that might be needed to resume services or continue services. And so we want to give that flexibility, still understanding that the uniform guidance requirements, that things are necessary and reasonable still applies.

The next IM flexibility that I want to just touch on is the ability to obtain no-cost extensions for a period of up to 12 months for grants that end before – on or before December 31st of 2020, and extension of a total of 12 months is available. So if you've had previous extensions on your grant and you want some additional extension, the total of whatever extensions you have previously had, and whatever you're asking for, cannot exceed 12 months.

But these extensions do have to be requested. You need to request them from your regional grants management officer as soon as you recognize that such an extension is needed so there's time to process that extension and issue a revised Notice of Award. All right.

One of the main areas, and the area that I think we saw most of the questions come in last week, was around the concept that in the era of COVID-19, Head Start and Early Head Start programs are operating in ways that they never envisioned and that there are costs associated with those operations that would not have ever been considered normal or traditional operating costs before COVID-19. And I'm going to talk about several of the different buckets of questions that came in.

There were several hundreds, so I can't — I can't answer every single one, but I do want to highlight a way of thinking about expenses that will help you determine for yourself as a grantee whether expenses are allowable. And this is the idea of looking at the traditional costs principles, understanding that what's necessary during COVID-19 will look different than what was necessary before COVID-19. But looking at those traditional costs principles of necessary, reasonable, and allocable to a funded activity. Funded activity would be the delivery of Head Start or Early Head Start program services, as well as whatever is necessary in the context of

those services to prevent, prepare for, and respond to COVID-19. Remembering that in any case, your spending decision and the use of funds needs to be documented. And that's true, whether it's your base grant or Cares Act funds, but what's important to keep in mind for the Cares Act funding is that it has to be to prevent, prepare for, and respond to COVID-19.

Now, because in the era of COVID-19, the delivery of services look different, there are certainly many expenses that you could charge to either your base grant or to your Cares Act funding, because they all have some relationship to allowing services to continue to be delivered in light of COVID-19. But what you'll notice is that there's no arrow back between the COVID-19 to the base grant.

So if you are spending funds that you would normally spend in your base grants, something like the standard rent that you would pay to occupy a facility, that needs to come from your base grant; that should not come from your Cares Act funding. However, if you need additional space or you need to make modifications to the facility because of COVID-19, that aspect of the costs could be charged to the Cares Act funding. So it is important to be clear on what the purpose of the expenditure is and make sure that you're only charging COVID-19 related costs to your Cares Act funding.

That's not to say your base grant can't be spent to respond to some of the impacts of COVID-19, but it doesn't go the other direction. OK. So now I want delve into some of the questions that came in last week, kind of in broad terms. So the ... One of the questions was, "Does this flexibility," meaning the fiscal flexibilities, "supersede internal fiscal procurement policies?" And the answer to that is no, the uniform guidance is clear that a grantee needs to follow its own internal fiscal procurement procedures.

So if there's a need to adjust the grantees fiscal of procurement procedures, then that should be done. So you might need to go back and make a change to your fiscal policies and procedures or suspend them for a period of time so that you can follow the flexibilities that are made available in the IM. And again, it's always important to stay in touch with your governing body and policy council, and you don't have to have any in person meetings in order for this to occur, but you would want to make sure that they understand that these changes are being made.

Another question is whether the ability to pay staff wages and benefits for those who are working remotely will be extended beyond the end of June, which is the current expiration date. And the Office of Head Start is aware that some staff may need to continue to work remotely, even as program services would normally resume in the Fall. And we are looking at the extension of that date and the possibility of doing so; however, remember, if staff would normally be laid off, particularly during a summer layoff, and would not be receiving wages and benefits, then they should also not be receiving wages and benefits under the extension. Another staff question that has come in is, "What if staff do not return to work when centers reopen?"

This is a tough question. You would need to work closely with your human resources and legal advisors to make sure that you are meeting all of your — both internal and external — requirements around family and medical leave, any sick leave or other opportunities that an

employee might have a referrals perhaps to an employee assistance plan. But ultimately, if staff simply are not able, or choose not to return to work and are not eligible for other kinds of benefits or time off, then their employment can be terminated.

There's a question here about whether Cares Act funds can be used for supplemental pay for teachers. I think that's where we need to take a look at the information on allowable costs and there may be circumstances where some sort of pay incentive was needed to compensate staff for different duties or different responsibilities, or because they'd been reassigned to a different time of work. Maybe you're running two sessions to keep your group size small enough.

So it is possible to provide supplemental pay for — for teachers or other staff. But that would need to be based on your own policies and procedures and some justification in terms of increased responsibility, increased obligations, or some change in the employment circumstances. Another question we're seeing quite a bit of is, "Can we purchase equipment, materials, and supplies such as laptops, either for our staff to more effectively interact during their virtual visits with the families? And then on the other hand, can we purchase laptops or tablets or other kinds of things for families to use so that they can participate in their educational experience virtually?"

And the answer to both of those questions is generally yes. That's actually an example that's in the Information's Memorandum. If material supplies and equipment are necessary in order for the delivery of services remotely or they're necessary to respond to COVID-19, then they are an allowable cost. Those materials, supplies, and equipment do remain property of the Head Start agency and would need to be returned, and then reused for other families. So this is not a gift to the family; this is something that's loaned or made available to them so that they can better participate in accessing program services while they are enrolled in the Head Start or Early Head Start program.

And remember that that's an important bottom line, as you'll see on the slide, that use of funds is limited to enrolled children and their families. So the other question is, "What about additional training for staff in — in response to COVID?" So maybe staff need to be better trained to support some of the — the health or mental health or other kinds of needs that children and parents may experience as a result of COVID, could that additional training be paid for by care exact funding?"

Absolutely. It's very clear that fits within our decision-making criteria, it's reasonable necessary allocable to the serving kids and families. Again, you would document that decision and make sure that you have adequate documentation for any spending decisions that you — that you make. There is a question here that says, "If Head Start employees are needing food and so forth due to the virus, is that allowable?"

And the answer to that is it is generally not allowable. There are some very limited circumstances where, for example, if you would choose to provide meals to staff so that they did not have to leave the center, that might be an option, but as far as general supports to families who are not enrolled families, we're talking about employees in this question, like food

and those sorts of things, it doesn't — it does not pass that threshold of being reasonable, necessary, and allocable to the delivery of Head Start services to an enrolled child or family.

So that would be a situation where the Cares Act funds could not be used in that way. Just to get a little bit back to the equipment. Some of the examples and questions that came in that I think are clearly allowable. "Can we use funds to support less contact during the enrollment process?" Absolutely. In fact, we've already have the ability to conduct enrollment even by telephone.

The question was, "Could the Cares Act money be used to take on additional building space from another program or create an isolation room or do additional modifications to a facility to spread children out and allow for more frequent disinfection?" Again, absolutely very clearly necessary to respond to COVID-19. There was a question about if the grantee is providing a home learning experiences for children could they purchase home learning kits and tablets and charge those to the COVID-19 funds?

Absolutely. If those are necessary to engage in the delivery of services remotely, those can be charged — could be charged to the base grant fund, could also be charged to the COVID-19 funds. And then I got a question that I would be on the edge of the "no" side of questions in the way that it's characterized which is, "Can we buy gift cards to distribute to parents?" So the way that question is phrased, the answer would be pretty clearly no, but on the other hand, this is where understanding why decisions are being made is critical.

Because if, for example, parents were supported in being able to directly purchase the materials and supplies that were needed to engage in remote learning, and that were properly documented and limited, some sort of financial support for that activity could be provided. So the — the issue of, "Can parents be financially supported in those areas where it's necessary to facilitate them and their children participating in the remote delivery of services?"

The answer is yes, but the concept of simply handing out gift cards because there's a need in the community or a need on the part of parents for additional funds would not be allowable because we don't know that those funds eventually support either the delivery of services for the prevention, preparation for, and response to COVID-19. So, you know, I would certainly leave you with the concept that that idea that spending decisions and use of funds must be adequately documented is key.

Because in many cases, under one set of facts an expenditure might be unallowable, whereas under another set of facts and proper documentation of youth, for example, it would fall within the allowable category. So those were just some of the examples of the many types of questions that came in last week. I think, continuing ...

Ann: Belinda ...

Belinda: ... keep in mind. Yes Ann.

Ann: We have had a boatload of questions come in about the \$25,000 threshold for equipment. Could you, I know that you have covered it; I ... Questions have come in after you've spoken. Is there anything that you could say again that would help people distinguish between, you know, that the requirements for under the 25 and over the 25?

Belinda: Absolutely. So currently under the existing regulations, grantees must obtain prior approval for any expenditure of equipment at a cost of \$5,000 or more. And that's a very low threshold that can make it difficult for programs to get what they need in terms of equipment for recovery. So even though in the uniform guidance it talks about equipment being at a \$5,000 threshold, which is how it is defined, we have taken away the prior approval requirements — up to \$25,000. So for equipment, which would be equipment up to \$25,000 grantees can simply purchase the equipment.

They don't need to include it in their application. They don't need to get separate prior approval, but they do need to include that equipment on their internal inventory, because it's still been purchased with federal dollars. And hopefully that helps. Are there other areas and that — that you would like focused on or that you're seeing?

Ann: Well, the other thing, and I don't know that we mentioned this time is, and you've talked about tracking and documentation and clearly, well, you know, we are still making determinations about, you know, our own ongoing oversight and the accountability of funds. We certainly know that there are other federal agencies that are also interested in how these funds had been dispersed and used in allowable ways.

And so we, while we can't predict exactly what kind of oversight and monitoring, I mean, I think it gets to your point: you got to document, document your decisions, and do appropriate tracking because clearly at some point someone's going to want to know how the monies were spent and were they spent in allowable ways.

Belinda: Absolutely Ann, and, you know, we'll certainly work with the audit community. We will provide input into the Head Start audit compliance supplement. We can provide links to the materials, the guidance, and so forth that the Office of Head Start has provided. You know, we certainly want to make sure that grantees don't feel as though they're hearing one thing from the Office of Head Start and somehow their auditors have a different view.

So I think that's — that's a legitimate concern and much of that can be alleviated by making sure that there is documentation from the point where the spending decision is made to the use of the funds is documented and it's carefully related to that delivery of services or response to COVID-19.

Ann: I wonder ... Thank you. I wonder ... We did extend for a few minutes and I know there were several questions that came in that, related to Heather's presentation. Heather, are there a few points that you would want to make before we ... I asked Colleen and then in turns it off to be for closing us out.

Heather: Sure. I think the one question I continue to see are people are requesting clarification on is the tracking of, and making sure they're clear on the distinction between Head Start and Early Head Start versus an organization that may operate multiple brands. So while if you are awarded COVID one-time funds, and it's under one specific grant number and you're operating both a Head Start and an Early Head Start program within that same grant, then there is not a need to do a separate cost allocation for those expenses.

However, if you're an organization that operates multiple grants, you do not, like, you still have to track those funds separately and cost allocate amongst those individual grants because you're still going to have to report on those finances for each of those individual grants. So, I hope that clarifies the difference between the programs within one grant versus an organization that operates multiple grants.

Ann: OK. Thank you. Colleen, do you have a highlight that you'd like to stress before we turn it over to Dr. B.

Colleen: Sure. So, just to just clarify, there a couple questions still about the — the amount, the total amount that grantees will get from all of the funding. And so that 875 per child, it represents per slot, per funded, federal enrollment slots, that — that dollar amount represents the total grantee funding that they will receive. So that includes money to operate summer programs and to do other things.

So there will be no separate summer award. If you did a ... You had designed a summer program and put in an application for that, be great if you can go forward with that safely. Absolutely. Still — still do that. If you need to make changes to that plan, you're absolutely free to do that. That is that application you'd ...

But you don't need to come in and do that with us. Now this — this — this new formula amount is all just one amount, and so you don't — you don't that — that summer application really is — is just a planning document for you now. It's not something you need to — to — to come in and change. But also, we had a couple posts asked, you know, do ...

They had seen in the system HSES that they were eligible for one amount of COVID funding and then asking about is this new amount with the 8, 7 ... Then when we talk about the 875, is that an addition or so will I be getting the — the amount that was initially in there and then the new amount. It's not in addition. The — the 875 per slot, the amount that you'll be able to see in the system now is the total amount of the funding.

Ann: OK. I'm going to just go back to Belinda and Heather one more time. Anything that you saw that you want to mention? Then we will shift over to Dr. B., to close this out. And I think we opened up a Pandora's box, Dr. B., when we — we talked about some programmatic issues at the beginning.

Dr. Bergeron: Yeah. I — I think ... Well it's necessary, but, here's — here are my thoughts. I've been looking at all these questions. One says, so for sure, Head Start will open in person for summer and — and some, you know, what — what I end up — I ended up getting nervous because we — we have these conversations, we're presenting information, and then I worry that it's not being perceived the way that we intend, but what I really think, and the reason I say that is because the answer to that question is: I can't answer it. It depends on your local situation. Some places will be able to open for the summer and if you can, we want you to.

So the answer to that is, yes, if you can, we'd love for you to do that, but we know that there are already some locales that have said schools can't open until August or whatever, and so we can't supersede that. Here's my thought as I look at questions that I think, "Oh, I feel like we

answered that," and — and maybe we didn't say it right, or — or it's not being perceived properly, but what I really think ...

The reality is — is this is just very overwhelming. We understand that not only is the whole COVID-19 situation tough and — and complicated, and you've been working on it for months. It's ever changing. So we started with a plan for this funding that we upended and I know in doing that, it is confusing. So here's my advice to everybody out there: This will be recorded. I suggest you listen to it at least two more times. I think you will hear answers that you didn't hear here. And I also think that should be done by every person on your leadership team so that everybody is hearing the information.

Some folks will hear things differently than others and you can — you can grapple with those things which create a crossroads for you and — and — and re-listen to those answers so that you can come to some conclusions. I think we've got the right information here, but I, again, I just think this is a lot of information for folks to try to process and it's — it's — it's a situation that changes often, and it's all reliant on different layers of guidance.

So you've got local guidance, state guidance, and then our guidance, and it's an awful lot for you to manage. So take the time to re-listen to this, to make sure more than just one person on your team is hearing it and that you're going through the big questions you have together. And then of course, you know, the region is there for you as a — as a resource. But what we really want to try to do is give you enough information so you can make decisions. We are so grateful for all of the hard work that you're doing.

We know it's — it's a lot, but you've really done a phenomenal job of holding down the fort and the more that you can continue to provide outreach to your families and to those children, the better off those kiddos are going to be when they do finally land in a public school classroom. And that's really heavy on our minds and we know that you're doing your best to take care of those things. So continue that hard work and we wish you the best.

And I know this won't be the last time that we'll be talking, so take care, and everybody have a great weekend.