



CARES Act Funding to Support Head Start Children, Families, and Programs



ADMINISTRATION FOR
CHILDREN & FAMILIES



OFFICE OF HEAD START

Presenters

Dr. Deborah Bergeron, Director of OHS & ECD
Summer Program Priority

Colleen Rathgeb, Director of Planning Oversight and Policy
Modified Approach to Funding

Heather Wanderski, Program Operation Director
Process for Receiving Covid-19 Funds

Belinda Rinker, Senior Policy Analyst
Fiscal Management during COVID-19



LET'S CELEBRATE YOU!

← #HeadStartCutie

Top Latest People Photos Videos

 @CORSHadStart · 1h

We wish we could bottle up all of the happiness in this picture! Indoor scavenger hunts are a lot of fun and clearly this Head Start cutie agrees! #CORSHadStart #HeadStartCutie #LearningAtHome



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← Tweet

 **Dr. Deborah Bergeron**
@OHS_Director

Pretty excited to see one of our programs hold a virtual Policy Council meeting online! East Coast Migrant Head Start continues to engage its families no matter what. (And I think I spot a #HeadStartCutie in one of those frames, too!)

Making History - 5/11/2020 First ever #ECMHSP Virtual Policy Council Meeting. Congratulations PC President, Irma Mendosa for your leadership and excellent job in conducting the meeting. Thank you to all the PC member parents who participated.

El último sábado, #ECMHSP tuvo su primera reunión virtual del Consejo Político. Felicitades a la Presidenta del Consejo Político, Irma Mendosa, por su liderazgo y excelente trabajo liderando la reunión. Gracias a todos los padres por su participación.

#EastCoastMigrantHeadStart #PolicyCouncil #HeadStart #HeadStartCutie #OHS #ECE #EarlyChildhoodEducation



3:31 PM · May 11, 2020 · Twitter Web App



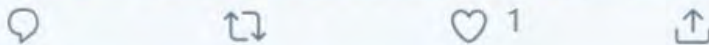
LET'S CELEBRATE YOU!



SLHDA Early Learning Programs @SLHDA_ELP · 23h

This week Greenwood 2 celebrated week three of the at-home studies with another Virtual Spirit Week! The teachers and children dressed up in the colors of the rainbow and looked GREAT doing it! Thank you to all the families who participated- we had a TOTAL BLAST!

#headstartcutie



CCPS Head Start @HeadStartCCPS · May 5

Our hearts are full, and a little sad 💔. One of our outstanding @HeadStartCCPS teachers went to each students home today to do end of year celebration photos, from a distance! #prekgrad, #HeadStartCutie, @CCPSPreschool, @ccpsinfo, @MChristian_ES, @NatlHeadStart, @OHS_Director



Update to Funding for FY 2020 Supplemental Funds in Response to the Coronavirus (Covid-19)

- ❑ Under the CARES Act, \$750 million is available to HS programs, including up to \$500 million for summer programs
- ❑ Due to the continued fluidity of the ongoing pandemic, OHS recognizes it is difficult for grantees to fully plan and commit to a program design and budget for a summer program
- ❑ The updated funding approach allows grantees to continue their plans to use CARES funding to operate summer programs, while maintaining flexibility to repurpose those funds for other one-time activities related to COVID-19, if needed.
 - OHS updated ACF-PI-HS-20-04 ([Linked Here](#))



Modified Approach to Funding

- ❑ All CARES Act funding will be awarded by formula based on each grantee's funded enrollment
- ❑ There will not be separate awards specifically for summer programs
- ❑ The formula funding can be used for summer programs as well as other COVID-19 needs
- ❑ Will allow grantees to be nimble and modify their spending plans as necessary based on state and local guidance



Summer Programs are Critical and Still Encouraged

- ❑ Summer programs are critical to offset losses in Head Start services
- ❑ Grantees that were planning a summer program are expected to operate one if they are able to do so safely
- ❑ Grantees should continue to make every effort to prioritize:
 - Enrolled children who will enter kindergarten for the 2020-2021 school year
 - Enrolled children with an Individualized Education Program (IEP)



Update to Funding for FY 2020 Supplemental Funds in Response to the Coronavirus

- Most grantees will receive sufficient funding to implement a summer program as planned, while some may need to revise their plans based on their adjusted funding amount
- Grantees will have the flexibility to make programmatic changes or implement innovative approaches to adhere to state and local guidance.
- In the event a summer program cannot operate as intended, grantees can use those funds for other one-time activities in response to COVID-19.



How to Apply

- ❑ For this funding, each grantee will be awarded a proportionate amount based on total funded enrollment
- ❑ These funds will be added to the existing Supplement – COVID-19 One-Time applications already in progress
- ❑ Grantees currently operating with Fiscal Year (FY) 2019 funds should indicate in the summary tab of the application whether funds are needed prior to the start of the FY 2020 budget period
- ❑ A separate 2020 Summer Supplement application is no longer needed



Fiscal Management during COVID-19

- ❑ The COVID-19 pandemic has created unprecedented operating challenges for Head Start and Early Head Start programs.
- ❑ Programs have stepped up to meet the COVID-19 challenge, delivering services virtually and supporting the diverse needs of enrolled children and families.
- ❑ Every program activity that continues services or responds to COVID-19 has a fiscal impact.
- ❑ Program and fiscal staff need to work more closely than ever in these difficult times.



Key Fiscal Concepts

- ❑ Coordinate with program staff to understand changes in service delivery and ongoing COVID-19 responses.
- ❑ Update program and CARES Act budgets as service delivery and COVID-19 responses change and evolve.
- ❑ Maintain contact with the Governing Body and Policy Council and provide regular updates (may be needed more frequently than monthly).
- ❑ Be familiar with all of the program and fiscal flexibilities provided by the Office of Head Start to fully inform financial decision-making.
- ❑ Understand that the use of Federal funds to respond to COVID-19 will receive intense review and careful oversight.
- ❑ Effective documentation is the foundation of allowable COVID-19 costs.



Budget Carefully – Manage Constantly



- ❑ Base grant funds cover the ongoing cost of delivering comprehensive services to enrolled children and families before, during and after COVID-19.
- ❑ CARES Act Head Start funds are one time funds to prevent, prepare for and respond to the coronavirus epidemic.
- ❑ Make sure enough funds remain available for ongoing program operations.



COVID-19 Fiscal Resources available on ECLKC

- ❑ IM 20-03: Office of Head Start Fiscal Flexibilities ([Linked Here](#))
- ❑ Funding and Administrative Flexibilities ([Linked Here](#))
 - Includes Administration for Children and Families Fiscal Flexibilities
- ❑ Staff Wages and Benefits ([Linked Here](#))
- ❑ Q&A Archive ([Linked Here](#))
- ❑ IM 19-01: General Disaster Recovery Flexibilities ([Linked Here](#))
- ❑ 45 CFR Part 75: Uniform Administrative Requirements, Cost Principles and Audit Requirements for HHS Awards ([Linked Here](#))

Guidance is frequently updated – be sure to review the most recent version.



Allowable Costs Generally:

For all expenses, an allowable cost must be:

- Necessary and reasonable for the performance of the Federal award *under the circumstances prevailing at the time the decision was made;*

Note emphasis added: Under the circumstances of COVID-19, certain costs that would be unreasonable in normal circumstances could now be considered reasonable.

- Allocable to (benefits) a specific federal award or necessary to the overall operation of the grantee; and
- Be adequately documented.

For COVID-19 CARES Act Add:

- Must be used to prepare for, respond to and recover from COVID-19.



Documentation, Record Keeping, Reporting



- ❑ Identify the community, program, family, child circumstances that support new, different or increased needs;
- ❑ Make supportive changes to internal fiscal policies and procedures;
- ❑ Explain the connection between costs and the purpose of the award;
- ❑ Connect costs with the program-specific impact of COVID-19;
- ❑ Demonstrate that CARES Act funds are being used to prevent, prepare for or respond to COVID-19.



Placeholder for OHS Fiscal Flexibilities: IM 20-03

- ❑ The Office of Head Start has issued an Information Memorandum that implements the Administration for Children and Families (ACF) grant flexibilities described in IM-ACF-OA-2020-01 ([Linked Here](#)).
- ❑ Grantees should carefully review the entire OHS IM. The following slides highlight only the flexibilities for which OHS has given significant amounts of program-specific guidance.

ACF Administration for Children and Families	U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
	1. Log No. ACF-IM-HS-20-03	2. Issuance Date: 05/21/2020
	3. Originating Office: Office of Head Start	
	4. Key Words: Coronavirus Aid; COVID-19; Fiscal Flexibilities; Fiscal Year (FY) 2020	

INFORMATION MEMORANDUM

TO: All Head Start and Early Head Start Agencies and Delegate Agencies

SUBJECT: Coronavirus Disease 2019 (COVID-19) Fiscal Flexibilities

INFORMATION:

On March 30, 2020, the Administration for Children and Families (ACF) issued **IM-ACF-OA-2020-01 ACF Grant Flexibilities in Conducting Human Service Activities Related to or Affected by COVID-19**. It provides guidance related to fiscal flexibilities and waivers affecting grant applications, no-cost extensions, allowable costs, extension of certain deadlines, procurement, prior approvals, indirect cost rates, and single audit submissions.

This Information Memorandum (IM) describes how the Office of Head Start (OHS) is implementing each item from the ACF Memorandum. Please note that some items are implemented by OHS as issued by ACF and others are implemented with noted program-specific guidance.



OHS Fiscal Flexibilities: IM 20-03

❑ Application Deadlines (Item 2)

There are currently no OHS-specific flexibilities with regard to application deadlines. Applicants should continue to submit applications on their scheduled due dates. One-time applications, such as those needed to address facility health and safety concerns, will continue to be accepted for consideration. An applicant/grantee must contact their Regional Grants Management Officer in the event that it is unable to meet a scheduled application due date.



OHS Fiscal Flexibilities: IM 20-03

❑ No-cost Extensions (Item 3)

Grantees with Head Start awards active as of March 31, 2020 and scheduled to end before December 31, 2020 may, at the discretion of OHS, receive a no cost extension of the project period of their award for up to twelve (12) months, inclusive of any previous extensions. Grantees with covered awards who require no cost extensions should submit their extension request to the Regional Grants Management Officer as soon as possible to allow time for processing and issuance of a revised notice of award.



OHS Fiscal Flexibilities: IM 20-03

❑ Abbreviated Continuation Requests (Item 4)

OHS is accepting abbreviated narrative information in support of continuation applications due between April 1, 2020 and December 31, 2020. Grantees submitting application for non-competitive continuation awards during the noted period must complete the budget and schedule tables within HSES, and submit only a budget justification (Section II) for the Application and Budget Justification Narrative document. Applicants must also complete any other applicable tabs in HSES, with supporting documents. Previously published guidance applicable to non-federal match waiver requests and governing body and policy council approvals is also applicable to continuation applications. Submission of the noted information indicates the applicant's intent to resume or restore their project activities and accept the continuation award once issued.



OHS Fiscal Flexibilities: IM 20-03

□ Prior Approval Waivers (Item 7)

- *Grantees may purchase equipment needed to respond to COVID-19 with a value of up to \$25,000 without prior ACF approval between January 20, 2020 and December 31, 2020.*
- *Prior approval is waived for budget transfers between direct cost categories for an aggregate amount not to exceed \$1,000,000 between January 20, 2020 and December 31, 2020.*
- *Grantees are authorized to engage in sole source purchasing between January 20, 2020 and December 31, 2020 if necessary to obtain goods and services needed for COVID-19 response and recovery.*



OHS Fiscal Flexibilities: IM 20-03

□ Allowability of Costs (Items 5-6)

In this unprecedented service environment, OHS understands that costs that are necessary and reasonable for the performance of a Head Start award may be very different from allowable costs during normal operations. Circumstances in local communities may also vary significantly from state-to-state and within geographic areas. Individual child and family needs and resources must be considered. Grantees are expected to use prudent judgment and their knowledge of service populations and community circumstances to determine what expenses are necessary and reasonable to maintain services and when possible, re-open centers. It will be important that grantees are able to document that costs incurred are necessary, reasonable and allocable to the program's prevention, preparation or response to COVID-19 for enrolled children and their families. Be sure to review existing guidance on the continued payment of wages and benefits during closures through June 30, 2020.



COVID-19 Costs: Prevent, Prepare for and Respond

- ❑ Equipment and supplies needed to support remote delivery of program services, such as electronic tablets, notebook computers, phone cards, internet access.
- ❑ Costs associated with meals and snacks that are not subject to reimbursement by USDA, delivery charges, packaging, special dietary needs.
- ❑ Equipment, supplies and contracted services needed to prepare centers to re-open and deliver services when service delivery is subject to federal, state or local mandates such as testing, protective equipment, distancing and group size. This may include items such as personal protective equipment, thermometers, additional cleaning materials and supplies, room dividers, additional janitorial contracting.



COVID-19 Costs: Prevent, Prepare for and Respond

- ❑ Minor renovations needed to establish isolated pick-up and drop-off areas and separate areas for children with potential COVID-19 symptoms.
- ❑ Supplies (and materials) that can be easily cleaned and substituted for soft materials that create a high risk of virus retention and transmission.
- ❑ Personnel and fringe benefit costs needed to adjust staffing to meet reduced group size mandates, social distancing requirements and isolation of children with potential COVID-19 symptoms.
- ❑ Increased numbers of employed or contracted staff to address anticipated health, mental health and social service needs during ongoing virtual service delivery and upon center-based service resumption.



Summary of Allowable Cost Decision

- ❑ As grantees prepare for, respond to and recover from COVID-19 they may incur costs not usually part of their operations. To assess the allowability of those costs, grantees should consider the following questions:
 - Is the cost incurred for an enrolled child or that child’s family (the term “family” is defined in 45 CFR § 1305.2)?
 - Is the cost necessary for the delivery of Head Start or Early Head Start services?
 - Is there a lack of community resources, or inability to access those resources, that would typically be used to fulfill the identified need?
 - Is the decision to incur the cost and the source and use of funds adequately documented?
 - For CARES Act funding: Is the expense to prepare for, respond to or recover from COVID-19?
- ❑ A “yes” answer to all of the foregoing questions indicates an allowable expense for base grant or COVID-19 one time funds.

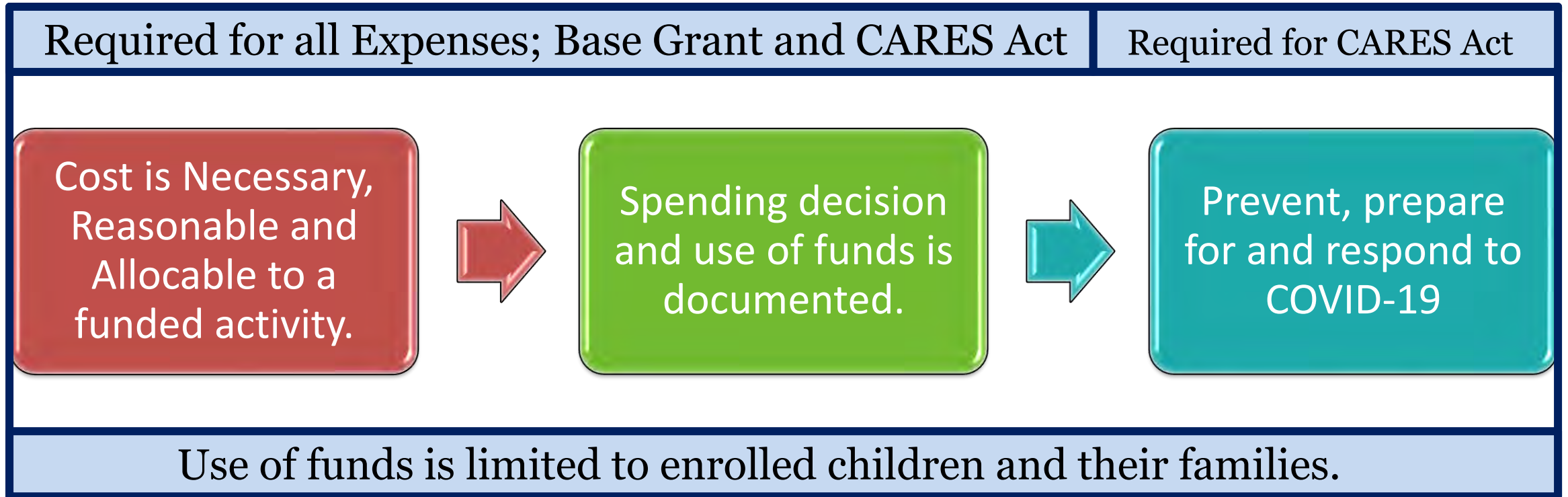


Examples of COVID-19 Costs not Usually Allowable

- ❑ Example 1: If the family of an enrolled child is experiencing food insecurity, the usual response would be to connect that family with a local food bank or other emergency food sources, not to purchase food for the family with Head Start funds. But if the family's income has dropped as a result of COVID-19 and community emergency food supplies are inadequate or exhausted, it is reasonable to conclude that food is necessary for the child and family to continue Head Start participation. Assuming the program documents both its decision-making process and the use of funds in accordance with that decision, costs are allowable for the impacted family.
- ❑ Example 2: When center-based services are offered, children and families do not need laptop computers or tablets for use in their homes. However, when services are offered remotely in response to COVID-19, it is reasonable to conclude that all families need a reliable way to participate in remote services and connect with their child's teacher or family service worker. Similar reasoning applies to making sure families have the ability to connect with program staff by phone and reliable internet service. As always, documentation of the COVID-19 connection, relationship to service delivery and use of funds is key.



Allowable Costs



View the Latest Covid-19 Updates From the Head Start Early Child Learning Knowledge Center (ECLKC)

- Webinars
- Q&A's
- Program Instructions
- Information Memorandums



<https://eclkc.ohs.acf.hhs.gov/about-us/coronavirus/responding-covid-19>

