



March 20, 2020

To: DSHS Contractors/Grantees

From: DSHS Contract Management Section

Subject: Options for 90-Day Administrative Relief for Contractors
Impacted by the Novel Coronavirus (COVID-19)

The Department of State Health Services (DSHS) has identified the following actions to provide options to Grantees and Contractors for short term administrative and financial management relief to requirements in your contracts. DSHS will continue to evaluate if these flexibilities should be extended beyond the dates outlined in this correspondence. These exceptions are time limited and are only applicable for those contracts that are directly impacted by COVID-19, based on the State of Texas and the federal Department of Health and Human Services declaration. The options of administrative relief outlined below is extended to all Grantees and Contractors impacted by COVID-19 for 90 days from the date of this notification.

If your concerns are not identified below, contact your Assigned Contract Manager and your request will be evaluated and a determination will be issued on a case-by-case basis.

1. Timesheets

Your entity can continue to charge salaries and benefits to currently active contracts consistent with your organization's policy of paying salaries (under unexpected or extraordinary circumstances) from all funding sources, federal, and non-federal. All questions related to salaries and benefits including requests for overtime pay should be directed to your Assigned Contract Manager. If approved, written response granting approval or guidance will be issued by the Assigned Contract Manager. In addition, all expenditures must be within your overall contract amount and contract term.

2. Waivers from Contract Activities

Your entity may not be able to carry out certain contract activities based on COVID-19. In this situation, send an email to your Assigned Contract Manager requesting a waiver and explaining why the activity cannot be carried out and how it is related to COVID-19. Include details including if there will be a lapse of expenditures based on the situation or if funds will need to be redirected. DSHS will review and provide guidance. If approved, the email will serve as documentation for both parties regarding the waiver.

3. Financial and Program Reporting Requirements

DSHS will allow for extensions for program and financial reporting. The request must be submitted prior to the deadline to your Assigned Contract Manager to determine the appropriate extension for each respective report. Your entity will still be allowed to draw down funds through your invoice submission and an outstanding report will not hinder your payment if the delay is tied to COVID-19.

4. Redirection of Funds

Your entity may have a need to redirect funds within your contract allocation that exceed the established percentage limits (i.e., 10% or 25%). Submit your request describing the redirection of funds and the justification for redirecting the funds. If approved, DSHS will provide written approval through a technical guidance letter during this 90-day time rather than issuing a formal amendment.

DSHS has received specific questions about this situation. Questions and answers are included in the attached Frequently Asked Questions (FAQs) document as a reference. Additional questions related to the above 90-day administrative relief provisions or the FAQs should be directed to your Assigned Contract Manager.

Options for 90-Day Administrative Relief for Contractors Frequently Asked Questions

1. Q: Should staff keep separate time sheets to code time specific to COVID-19 versus time spent specific to the contract/grant?

A: Your entity is not required to keep a separate time sheet for COVID-19; however, it is recommended to notate all work that is tied to COVID-19 to assist with how to appropriately charge the work. If the work is reimbursable by DSHS, the work can be charged to DSHS; if not, the work should be charged to the appropriate funding source and tracked separately.

2. Q: If there is a community spread of COVID-19, our office buildings will be closed to the public; however, staff will be sent to work remotely to serve clients. Is this problematic?

A: No, this is not problematic. Be sure to inform your clients through your website, phone, and through signage of where the client can receive remote services. In addition, notify your Assigned Contract Manager of the situation.

3. Q: Employees who must stay home either because they are sick or have someone to care for and cannot work remotely will not be charged any sick or annual leave. Is this problematic?

A: Your entity must follow your internal policies and procedures on how to address sick or annual leave. Sick and annual leave are allowable to be charged to your DSHS contracts in accordance with your entity's standard cost allocation methodology.

4. Q: What is the best method to inform DSHS if an outbreak occurs and clinical personnel cannot hold clinics and must stay home?

A: First make sure you have informed your local health department or public health region. Then email your Assigned Contract Manager of the occurrence to ensure the justification is documented regarding COVID-19 so your entity will not be penalized.

5. Q: How do we handle reporting requirements if they cannot be met or not met timely?

A: Email your Assigned Contract Manager regarding the delay and indicate how it is tied to COVID-19. Your Assigned Contract Manager will work with you on an extension, offer guidance, or provide the

necessary approval to waive the requirement if necessary during this 90-day period.

6. Q: Do we need to track expenditures related to COVID-19?

A: At this time, it is not required; however, it is recommended to notate any COVID-19 related expenditures in the event it is necessary to capture these expenditures.

7. Q: My entity will be closing for an extended timeframe. What do I do?

A: Email your Assigned Contract Manager and provide contact information on who can be available to address any questions. If you are teleworking, provide any updated contact information if applicable.

8. Q: Our entity is not having face-to-face meetings. Is this problematic?

A: No. Inform your Assigned Contract Manager in writing regarding the cancellation of meetings or trainings. Indicate if there are any plans of rescheduling, using alternative methods (Skype, Zoom, etc.), or if meetings or trainings will be cancelled for the contract year.

9. Q: Outreach events are impacted and cannot be conducted as scheduled. Will there be carry forward funds available if not completed within the contract year?

A: At this time, we are not authorized to provide carry forward funds. If the funds are not spent within the contract period, then the funds will not be automatically carried forward. If any funds become available in the future, you will be contacted by your Assigned Contract Manager.

10. Q: Is there flexibility with meeting contract deliverables?

A: Yes, there is flexibility if the justification is tied to COVID-19. Send an email to your Assigned Contract Manager requesting a waiver and explaining why the activity could not be carried out and if it is related to COVID-19. Include details indicating if there will be a lapse of expenditures based on the situation or if funds will need to be redirected. DSHS will review and provide guidance. If approved, the email will serve as documentation for both parties regarding the waiver.

11. Q: Our organization is required to hold in-person trainings, or in-person events, and a webinar is not a feasible option based on the target population. If we can't reschedule within the contract year, will we be penalized for this?

A: No, you will not be penalized or considered as non-compliant. during a programmatic or financial compliance review. Send an email to your Assigned Contract Manager and plan to either reschedule or cancel the trainings for the year. DSHS will work with you and provide guidance on your specific situation.

12. Q: Our lab is getting bombarded with test requests. What are the expectations? We have been approved not to perform flu testing on my infectious disease contracts for the time being due the COVID-19 workload. Can the same be extended for the Laboratory Response Network?

A: Yes, your entity can focus on the influx of test requests and defer your flu testing to another area in your organization or subcontract out the work. Send an email to your Assigned Contract Manger explaining the situation. Please note all expenditures must align with your existing contract allocation, and only charges related to your contract scope of work can be charged to your contract.

13. Q: Is there any specific guidance that can be provided to our Subcontractors?

A: Your entity can also utilize this guidance with their respective subcontractors. If they have non-contractual related questions related to COVID-19, please refer them to the DSHS website.

14. Q: Our entity would like to redirect funding to cover lab testing for COVID-19. Is this permissible?

A: Submit the request to your Assigned Contract Manager for review and approval. This approval will depend on the type of contract.