

October 27, 2020

**RE: Guidance related to Partnerships and Use of ED grant funds during COVID-19**

A question from a sub-grantee was sent to NYSED back in April which was subsequently sent to ED for their response. We recently heard from them with their guidance.

The question that NYSED asked ED was, if staff salaries of entities that partner with subgrantees under the Nita M. Lowey 21<sup>st</sup> Century Community Learning Center (CCLC) can be paid with grant funds while programs are shut down due novel Coronavirus Disease 2019 (COVID-19). We also noted, subgrantees are required to have a partnership between a community-based organization and the local education agency.

**ED response:** Yes, in some limited circumstances, grant funds may be used to cover the costs of contracted services that were cancelled or otherwise not performed due to the COVID-19 pandemic if the contractor was ready and able to perform such services at the time. You should consider the circumstances that led to the services not being performed.

If the partner organization was not able to perform the services required due to the subgrantee's closure or inability to accept the services, due to the pandemic, the subgrantee should try to negotiate a reasonable compromise amount. However, if no compromise can be negotiated, subgrantee may charge the grant for the costs, provided the contract costs are reasonable and allowable under the grant, consistent with the Federal cost principles described in 2 CFR Part 200 Subpart E of the Uniform Guidance (Federal cost principles).

If the subgrantee was ready and able to accept the contracted services, but the contractor could not provide the contracted services due to the pandemic, the subgrantee must not pay for the services because such costs would not satisfy the requirements of the Federal cost principles.

If there are State or local laws, regulations, or executive orders directly addressing a specific cost item or items during this emergency situation as affected by COVID-19, their effect on the grant will be reviewed on a case-by-case basis to determine allowability and allocability under the Federal cost principles.

ED is working on providing additional information related to COVID-19; all available information will be posted at: <https://www.ed.gov/coronavirus>. For questions on contract you might want to review the following factsheet <https://www2.ed.gov/documents/coronavirus/factsheet-covid19-contracts.pdf>.

Best,  
21<sup>st</sup> CCLC Team