**PURPOSE:** To address operational impact and unexpected costs to BSBP under the unexpected or extraordinary circumstance due to COVID-19 epidemic. The purpose of this policy is to implement flexibilities authorized by the U.S. Department of Education as outlined in the “Fact Sheet: Select Questions Related to Use of Department of Education Grant Funds During the Novel Coronavirus Disease 2019” document dated April 08, 2020. This will help provide assurance that applicable laws, rules, regulations, and contract provisions are followed through an appropriate system of accountability and administrative controls under such unusual circumstances.

**POLICY IMPLICATION(S):** *Office of Management and Budget (OMB) Memorandum* [*OMB\_Memorandum\_M-20-17*](https://www.whitehouse.gov/wp-content/uploads/2020/03/M-20-17.pdf) *.* 34 CFR 361.3 addresses authorized activities and states:The Secretary makes payments to a [State](https://www.law.cornell.edu/definitions/index.php?width=840&height=800&iframe=true&def_id=dff8e7b5dc3cb66e248bff18b2cc5f54&term_occur=999&term_src=Title:34:Subtitle:B:Chapter:III:Part:361:Subpart:A:361.3) to assist in **(a)** The costs of providing [vocational rehabilitation services](https://www.law.cornell.edu/definitions/index.php?width=840&height=800&iframe=true&def_id=7e00b0ac6ee0689e591b894c7be44744&term_occur=999&term_src=Title:34:Subtitle:B:Chapter:III:Part:361:Subpart:A:361.3) under the [vocational rehabilitation services](https://www.law.cornell.edu/definitions/index.php?width=840&height=800&iframe=true&def_id=7e00b0ac6ee0689e591b894c7be44744&term_occur=999&term_src=Title:34:Subtitle:B:Chapter:III:Part:361:Subpart:A:361.3) portion of the Unified or Combined [State](https://www.law.cornell.edu/definitions/index.php?width=840&height=800&iframe=true&def_id=dff8e7b5dc3cb66e248bff18b2cc5f54&term_occur=999&term_src=Title:34:Subtitle:B:Chapter:III:Part:361:Subpart:A:361.3) Plan; and **(b)** [Administrative costs under the vocational rehabilitation services portion of the Unified or Combined State Plan](https://www.law.cornell.edu/definitions/index.php?width=840&height=800&iframe=true&def_id=3862b5f6833ec3a2bbbcfa87673c6d77&term_occur=999&term_src=Title:34:Subtitle:B:Chapter:III:Part:361:Subpart:A:361.3), including one-stop infrastructure costs.

A grantee and subgrantee must maintain appropriate records and cost documentation as required by [2 CFR § 200.302](https://www.ecfr.gov/cgi-bin/text-idx?SID=4aa24dcf2aea16839f2318de64e2ab7f&mc=true&node=pt2.1.200&rgn=div5#se2.1.200_1302) (financial management), [2 CFR § 200.430(i)](https://www.ecfr.gov/cgi-bin/text-idx?SID=4aa24dcf2aea16839f2318de64e2ab7f&mc=true&node=pt2.1.200&rgn=div5#se2.1.200_1430) (standards for documenting personnel expenses), and [2 CFR § 200.333](https://www.ecfr.gov/cgi-bin/text-idx?SID=4aa24dcf2aea16839f2318de64e2ab7f&mc=true&node=pt2.1.200&rgn=div5#se2.1.200_1333) (retention requirements for records) to substantiate the charging of any compensation costs related to interruption of operations or services.

**RESPONSE TO COVID-19 LOSS OF OPERATIONS/UNEXPECTED COSTS:**

BSBP Mission:To provide opportunities to individuals who are blind or visually impaired to achieve employment, and/or achieve maximum and meaningful independence in life, through comprehensive rehabilitative services.

BSBP Vision:To help Michigan become a better state for blind and visually impaired persons to be equal contributing citizens that enjoy all the advantages of a full independent life.

In response to the escalating threat of COVID-19, The State Emergency Operations Center (SEOC) became active onFebruary 28. 2020.On March 3, Governor Whitmer announced the creation of four task forces to combat the spread of coronavirus and assess the impact that the virus may have on Michiganders’ day-to-day lives.Governor Gretchen Whitmer declared a state of emergency Tuesday evening, March 10, in response to the discovery of the first two presumptive positive cases of COVID-19. Governor Whitmer announced the closing of State of Michigan schools, effective, Monday, March 16.

BSBP operations were first impacted by the Governor’s order to close public schools on March 16, 2020. The BSBP TC was instructed to dismiss participants. Pre-Employment Transition Services were immediately impacted. Events were cancelled including the Detroit Mini which was to begin March 15, 2020. Other business activity interruptions and unexpected costs were incurred prior to the “Stay Home, Stay Safe” Executive Order 2020-21, directing all MI businesses and operations to temporarily suspend in-person operations that are not necessary

to sustain or protect life. EO 2020-21 went into effect at 12:01 am on March 24, 2020. The “Stay Home, Stay Safe” EO created a virtual environment transforming face to face client services, business services and operational support into a very challenging distance services and operational support model.

Significant costs incurred by BSBP due to response to COVID-19 include, but are not limited to the following:

* Pandemic planning expenses
* Personal protection equipment
* Increase in cleaning and sanitization costs
* Cancellation of events
* Expenditures to move participants/customers out of dorms/trainings
* Expenditures related to restricting entrance to brick and mortar offices
* Additional technology expenditures related to the sudden change in work environment for various staff who did not have the ability to work remotely (cell phone, laptops, VPN, printers, etc.)
* Future costs related to resuming normalized operations after the COVID-19 crisis subsides

**POLICY**

It is the policy of the Bureau of Services for Blind Persons (BSBP) that safety as a core value be applied in all BSBP operations – administrative and programmatic. Continuity of operations shall continue considering all facts and circumstances at the time of a crisis. To the extent continuity of operations is interrupted, BSBP management may consider any reasonable expenditure which preserves the ability to maintain and/or resume normalized operations. Reasonable expenditures may include but are not limited to those expenditures which maintain programmatic activities for participants, allow employees to work productively, training to increase and maintain skills, information technology that allows for new or improved service models or increase the productivity of employees and preserve programmatic restart such as redirecting personnel to tasks that prepare for programmatic restart.

In considering such expenditures, to the maximum extent practicable, BSBP shall attempt to institute any and all reasonable mitigating actions and practices that are available to management considering all facts and circumstances of the crisis in order to lessen the cost to the Bureau. BSBP must follow the Governor’s Executive Orders. Emergency Orders and Executive Directives as it attempts such actions.

Programmatic expenses include all the necessary authorized activities referenced in 34 CFR 361.3 coupled with reasonableness as may be broadly interpreted to comply with, adjust services and or administrative functions related to the state of emergency to sustain or prepare for programmatic restart of:

* The operations of Braille and Talking Book Library which are essential to the provision of nonprint materials to print disabled patrons.
* Training Center building and grounds, maintenance and programmatic activities related to restart and normalization of operations to include but not limited to implementation of strategic plans, updating curriculum, design of new instruction, training to prepare for restart.
* The Business Enterprise Program (BEP) to include but not limited to supporting BEP operators in maintaining and protecting inventory and equipment, trainings, essential field services.
* Field Services to include but not limited to supporting program participants and business, strategic initiatives, trainings.
* Pre-Employment Transition services to support students with a disability.
* Central services to include but not limited to supporting all program personnel, fiscal and administrative functions, technology, reports, audits, trainings, strategic initiatives.

Personnel costs may continue to be charged to an active grant funded by the U.S. Department of Education (RSA – VR, Pre-ETS, Supported Employment, ILOB) or US Dept. of Health and Human Services (ACL – IL Part B) or to the Youth Low Vision services State appropriation depending on the nature of work performed by a BSBP staff person consistent with the Bureau’s policies and procedures for paying compensation from all funding sources, federal and non-federal, under unexpected or extraordinary circumstances, such as a public health emergency like COVID-19 (*OMB M-20-17 & U.S. Dept. of Ed Fact Sheet dated 4/8/2020*).

Costs related to the cancellation of events, travel, or other activities necessary and reasonable for the performance of the award, or the pausing and restarting of grant funded activities due to the public health emergency, will first seek to recover nonrefundable costs associated with a grant from the relevant entity that charged the fee (e.g. airline, hotel, conference organizer, college room and board), documenting outcome and submitting a detailed sheet to the BSBP Administrative Services Division for internal tracking. Some businesses are offering flexibility regarding refunds, credits, and other remedies for losses due to COVID-19 outbreak. In the event that BSBP is unable to recover the costs, BSBP 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 UniformAdministrative Requirements, Cost Principles, And Audit Requirements For Federal Awards (Uniform Guidance).

**Documentation:**

Case notes documenting Covid-19 unique and unexpected costs should contain “Covid-19” in the subject line followed by a descriptive title related to the item or circumstances being documented.

Invoices for unique and unexpected costs should contain “Covid-19” on the invoice above the signature of the approver or if electronically approved then in the subject line of the email requesting approval.

Administrative Services shall work with LEO fiscal to code unique and unexpected costs to unique accounting templates as deemed appropriate and reasonable for the tracking of Covid-19 costs.

**Procedure:**

The BSBP Director may issue a memorandum to programmatic personnel that provides temporary exceptions to existing policy in order to address the unique and unusual circumstances related to Covid-19.

The BSBP Director may issue new temporary policies and procedures in order to address the unique and unusual circumstances related to Covid-19.

The BSBP Director may issue clarifying memorandums to address discretionary spending requirements.

**Authoritative Guidelines:**

* 34 CFR 361.3 Authorized activities.
* 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
* US Dept. of Ed, April 8, 2020, *Fact Sheet: Select Questions Related to Use of Department of Education Grant Funds During the Novel Coronavirus Disease 2019*
* Executive Office of the President, Office of Management and Budget, March 19,2020, Memorandum to the Heads of Executive Departments and Agencies, M-20-17