

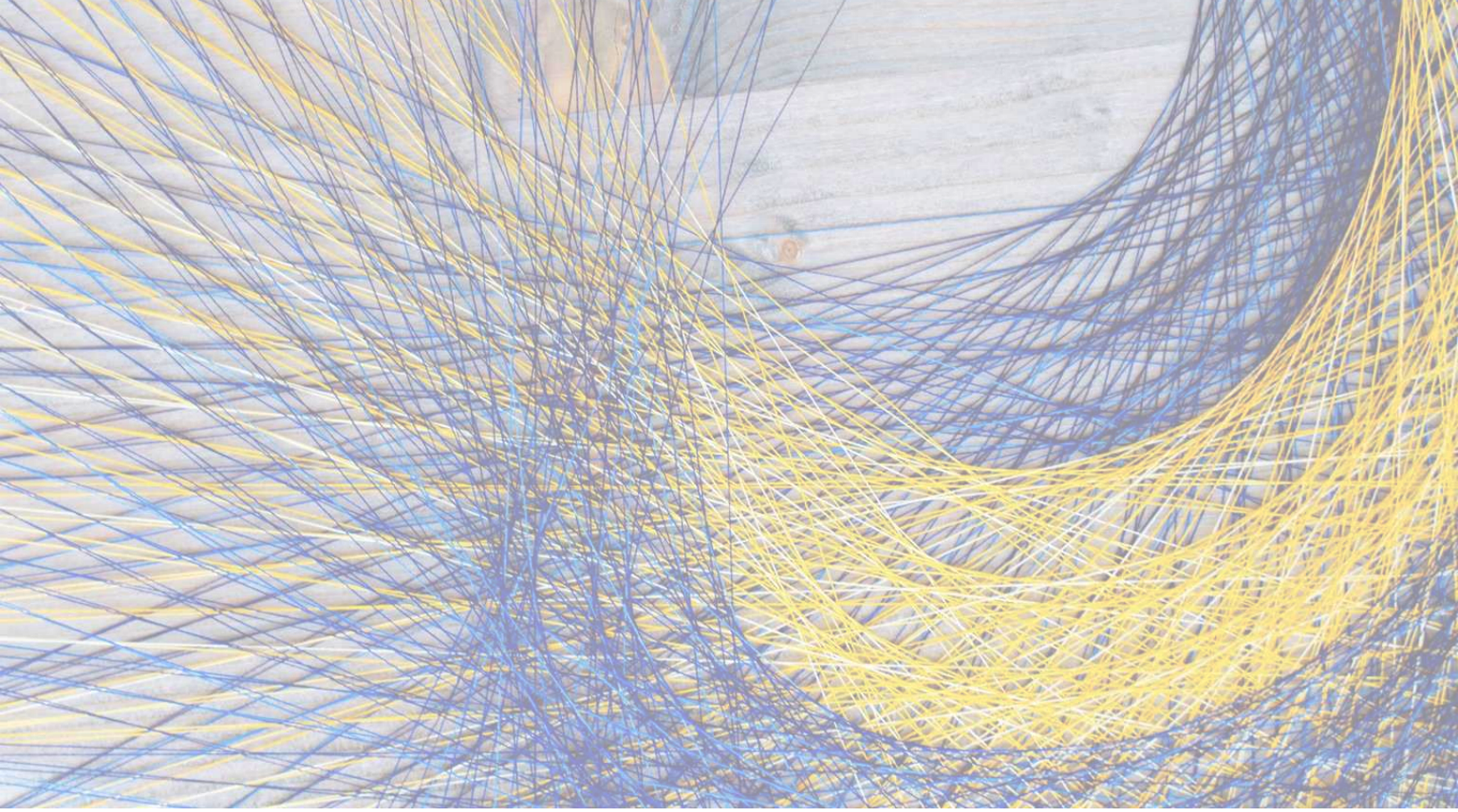
7 tips to manage risks for COVID-19 ongoing costs

Forensic & Integrity Services
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Part 6 of 6 in a series focusing on lessons learned and leading practices in COVID-19 disaster cost recovery

As discussed in [Part 1](#), [Part 2](#), [Part 3](#), [Part 4](#) and [Part 5](#), there are many issues to consider in the long-term COVID-19 disaster recovery. Applicants may be incurring ongoing COVID-19-related costs that are potentially eligible for reimbursement from federal awards. To facilitate compliance, reduce the risk of funding de-obligation and minimize unexpected financial burdens on the applicant, there are seven suggested tips for applicants when monitoring for ongoing costs:

- 1 Isolate eligible costs:** Continue to be mindful of what types of costs are eligible per the applicable funding regulations and confirm if these eligible COVID-19-related costs can be isolated. Isolating eligible costs will assist with tracking, ease the reimbursement claim preparations and ultimately reduce risk of de-obligation.
- 2 Track deadlines:** Stay up to date on critical deadlines such as the funding period of performance for cost eligibility, cost share deadlines and requirements. Understanding the cost-share deadlines will help manage expectations of the amount and the time period for the cost share to be covered by the applicant – minimizing unexpected financial burdens on the applicant.
- 3 Confirm cost reasonableness:** Confirm ongoing eligible costs are reasonable to adequately respond to the current level of the COVID-19 pandemic. Where applicable, conducting independent cost estimates and drafting memos to provide additional clarification to justify costs may be beneficial to prepare for future audits.
- 4 Reevaluate current procurement methods:** Applicants that may have experienced state of emergency declarations for COVID-19 where procurement requirements were temporarily relaxed to expedite the response to the COVID-19 pandemic may need to reevaluate their current procurement approaches. It is critical that such procedures are in compliance with local procurement guidelines to avoid future findings.
- 5 Identify active contracts that may result in ongoing costs beyond the award eligibility end date:** Costs incurred outside of the eligibility end date may cause a financial burden to the applicant since the incurred costs may not be reimbursed. If the cost eligibility end date has yet to be determined by the funding agency, this is a critical area to continue monitoring.
- 6 Document everything:** Keep a record of all supporting documentation that demonstrates costs are eligible. It is recommended that documentation be stored in a centralized location for future reference and audits.
- 7 When in doubt, refer to the funding specific guidelines and 2 CFR Part 200 Uniform Administrative Requirements for federal awards for clarification:** It is imperative for applicants to monitor federal award guidelines, policies and requirements for clarification and updates to confirm compliance and avoid costs being ineligible.



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