

### **Abbreviated Reimbursement Checklist**

#### **Applicability:**

This abbreviated reimbursement checklist applies to contractor requests and/or requests on behalf of its subcontractor(s) for reimbursement for paid leave provided to employees, pursuant to section 3610 of the CARES Act, for direct charged employees on a single contract, in which the amount of the requested reimbursement is below \$2,000,000 in total. This checklist may also be used in conjunction with either the multipurpose or global reimbursement checklists for subcontractor reimbursement requests that meet the criteria of this checklist. This checklist also provides guidance for reimbursements and may be tailored at contracting officer's discretion to fit specific circumstances.

A contractor that is not submitting a section 3610 reimbursement request on its own account may request a section 3610 reimbursement on behalf of its subcontractor(s), if the subcontractor(s) is/are established to be an affected contractor, by the contracting officer. If a subcontractor submits a section 3610 reimbursement request through the prime contractor, the subcontractor's submission should include the information below.

Any section 3610 reimbursement is subject to the availability of funds. In addition, the contracting officer shall also establish, in writing, that the contractor is an affected contractor prior to authorizing the reimbursement of paid leave costs under the authority of section 3610.

Contractors using the guidance in this abbreviated checklist to request section 3610 reimbursement for direct charge employees on a single contract cannot subsequently use the multi-purpose checklist to request reimbursement for indirect employees if the reimbursement would be allocable to that same contract.

A contractor's initial section 3610 reimbursement request should cover the period from the latter of the date that the contractor began providing paid leave reimbursable under section 3610 or March 27, 2020, through the close of the latest accounting cycle prior to the contractor's section 3610 reimbursement request. The initial section 3610 reimbursement request and any subsequent section 3610 reimbursement request should be coordinated with the contracting officer prior to submission, and submitted in a similar manner to the initial section 3610 reimbursement request using the same methodology.

Section A, "Notice of Intent to Request Reimbursement under Section 3610: Early Engagement," of this class deviation memorandum outlines early engagement discussions between the contractor and the contracting officer to coordinate a request for reimbursement.

1. Contractor Identification and Contract Information.

The contracting officer should require section 3610 reimbursement requests to include the following information:

(a) Contract/Task Order/Delivery Order Number(s).

(b) Contractor Name.

(c) Contractor Address.

(d) Contractor Commercial and Government Entity (CAGE) Code, Taxpayer Identification Number (TIN), and Unique Entity Identifier.

(e) Time Period Addressed by the Section 3610 Reimbursement Request.

2. Section 3610 Circumstances Narrative and Information on Affected Contractor Status.

(a) The contracting officer should require the contractor to provide a request to be established as an affected contractor with a narrative supporting its request. The contractor should identify the circumstances that impacted it as a result of the public health emergency declared for COVID-19, and why it decided to provide paid leave to its employees and/or subcontractors to keep them in a ready state for which it is requesting section 3610 reimbursement. The circumstances addressed in this narrative should be specific to the single contract/task order/delivery order for which the contractor is requesting section 3610 reimbursement. The narrative should include—

(1) An explanation as to why it was necessary to provide paid leave to its employees and/or subcontractor(s) to maintain a ready state under this contract/task order/delivery order;

(2) That the paid leave does not include paid leave for which an employee was otherwise paid (e.g., leave that is provided through company policy, employment contract, or labor agreement);

(3) That the paid leave was provided to, and taken by, the employee(s) and/or subcontractor(s) no earlier than March 27, 2020, and no later than September 30, 2020;

(4) Identification of facility closures or restrictions that precluded employees and/or subcontractor(s) from performing at their normal work location(s), including closure/restriction date range(s) and specifics;

(5) An explanation of why job duties could not be performed remotely for labor categories provided paid leave for which the contractor is seeking reimbursement under section 3610; and

(6) That the section 3610 reimbursement request does not result in a total of paid work and paid leave charges that exceed an average of 40 hours per week per employee.

(b) If requested, contractors should provide the contracting officer with a copy of any contractor telework policies and procedures.

### 3. Contractor Submission of Section 3610 Reimbursement Requests.

(a) The contracting officer should require the contractor to provide the following information to the contracting officer, as appropriate for the circumstances, with sufficient detail to support any audit of costs incurred, for this contract/task order/delivery order. The Government may also audit the billed costs in order to ensure accuracy and compliance with the law. Include the following—

(1) How section 3610 paid leave costs are segregated within the contractor's accounting system and reported;

(2) A description of the contractor's—

(i) Methodology to develop the amount requested for section 3610 reimbursement, as well as how the contractor has ensured that requested costs are not part of any other reimbursement request, either as a prime contractor or subcontractor;

(ii) Methodology to develop the appropriate rates included in the section 3610 reimbursement request and what is included in the appropriate rates (appropriate rates can include labor rates, overhead, and G&A, but may not include profit or fees);

(iii) Normal accounting treatment of leave costs (policies and procedures, indirect pools/allocation bases, disclosure statements, etc.);

(3) Any contractor company-specific guidance on the reimbursement of paid leave under section 3610; and

(4) Identification of the contractor's non-Government commercial work over the period covered by the section 3610 reimbursement request, and a description of the allocation method the contractor used to allocate section 3610 paid leave costs between the Government and commercial customers and the resulting cost allocation.

(b) The contracting officer should require the contractor to identify the eligible hours for which it is requesting reimbursement under section 3610 (i.e., those hours meeting the criteria identified in DFARS 231.205-79(a)(1)(ii) under Class Deviation 2020-O0013) for this contract/task order/delivery order.

(1) Reimbursement for paid leave may not be requested in excess of an average of 40 hours/week/employee for full-time employees.

(2) Reimbursement for paid leave provided to part-time employees is limited to the average hours the part-time employees typically worked per week (prior to the public health emergency declared on January 31, 2020, for COVID-19).

(c) The contracting officer should require the contractor to identify all employees for whom the contractor is requesting reimbursement for section 3610 paid leave, as well as the number of paid leave hours for which reimbursement is requested, as follows:

(1) Upon request of the contracting officer, by labor category (including skill level) and by pay period.

(2) By average hours worked, by employee, by contract/task order/delivery order, for the three months prior to the public health emergency declared on January 31, 2020, for COVID-19.

(3) For employees for whom the contractor is requesting section 3610 reimbursement, any hours actually worked during the period for which section 3610 reimbursement is sought and the hourly rate the contractor charged the contract/task order/delivery order for the employee hours worked.

(d) Contractors are not entitled to section 3610 reimbursement for paid leave hours or other paid absence taken by employees during the claimed period that the employee was entitled to receive absent the public health emergency declared on January 31, 2020, for COVID-19 (e.g., leave that the employee has earned or is provided through company policy, employment contract, or labor agreement, including other extended medical leave). These hours must be excluded from any section 3610 reimbursement requests.

(e) *Actual Paid Labor Rates.*

(1) The contracting officer should require the contractor to provide the actual, unburdened hourly rates being paid to all personnel for whom the contractor is requesting section 3610 reimbursement. Reimbursement shall be made at the appropriate rates for the work performed under the contract.

(2) Upon request of the contracting officer, contractors should provide payroll records to support the labor rates included in the section 3610 reimbursement request.

(f) *Financial Records.* Upon the contracting officer's request, the contractor should provide the financial records it used in developing the section 3610 reimbursement request.

#### 4. Subcontractor Reimbursement Requests.

(a) *Supporting Information.* For all subcontractor section 3610 reimbursement requests, the prime contractor should be directed to provide, for each subcontractor, the same supporting information/documentation that is required from the prime contractor. If the subcontractor does not routinely provide such information to the prime contractor (e.g., due to competition or

proprietary data concerns), the subcontractor should provide the amount of its section 3610 reimbursement request to the prime contractor, for inclusion in the prime contractor's section 3610 reimbursement request, and submit all other supporting information directly to the contracting officer under separate cover.

(b) *Affected Contractor*. The contracting officer should require the contractor to evaluate each subcontractor's section 3610 reimbursement request submission and provide, with its own section 3610 reimbursement request, an opinion as to whether the subcontractor is an affected contractor and, if so, its analysis of whether the subcontractor's paid leave costs are allowable under section 3610. The prime contractor shall not commingle subcontractor information with its own.

(c) *Representations*. Subcontractor section 3610 reimbursement requests included in a prime contractor's section 3610 reimbursement request shall provide all of the representations in section 7, below.

#### 5. Reimbursement Request Submission Format.

The contracting officer should require the contractor to submit the section 3610 reimbursement request in a format acceptable to the contracting officer, including the calculations of the requested section 3610 reimbursement amount, traceable to the supporting data submitted in accordance with the above. Any data, documentation, and information provided to support the contractor's section 3610 reimbursement request should be provided in electronic format, whenever possible.

#### 6. Identification of Other Credits that will Reduce Relief Provided under Section 3610.

(a) Contractors are eligible for other sources of funds that may result in credits or loan forgiveness. The maximum reimbursement a contractor is authorized to receive under section 3610 shall be reduced by the amount of loan forgiveness a contractor receives pursuant to division G of the Families First Coronavirus Response Act (Pub. L. 116-127) or under the CARES Act (Pub. L. 116-136), or any other credit allowed by law that is specifically identifiable with the public health emergency declared on January 31, 2020, for COVID-19.

(b) The contracting officer should require contractors to reduce any section 3610 reimbursement amount requested and any section 3610 reimbursement received upon receipt of credits or loan forgiveness, outlined above. If the contractor receives any applicable credit or loan forgiveness subsequent to its submission of a section 3610 reimbursement request, the contractor must notify the contracting officer within 30 days of receipt of the credit or loan forgiveness and must agree to a modification reducing the amount of section 3610 reimbursement by the amount of the credit or loan forgiveness received.

#### 7. Representations.

(a) The contracting officer shall require contractors to provide the following representations with section 3610 reimbursement requests—

(1) All paid leave included in the request for reimbursement was specifically paid to keep the employees and/or subcontractors in a ready state;

(2) The contractor segregated and reported the actual costs of the section 3610 paid leave payments, traceable to the individual employee charges;

(3) The section 3610 reimbursement request excludes any paid leave costs associated with the contractor's work as a subcontractor to another contractor;

(4) All impacted subcontractors have been afforded an opportunity to submit a request for reimbursement of section 3610 paid leave costs, and eligible subcontractor section 3610 reimbursement requests received and as appropriate are incorporated into the contractor's section 3610 reimbursement request for the contractor to pay to the subcontractor;

(5) The section 3610 reimbursement request has been reduced by any applicable credit or loan forgiveness the contractor has received that is/are specifically identifiable to the public health emergency declared on January 31, 2020, for COVID-19;

(6) The costs included in the section 3610 reimbursement request have not been requested elsewhere in another section 3610 reimbursement request; and

(7) The section 3610 reimbursement request is made in good faith, and the supporting data is accurate and complete to the best of the contractor's knowledge.

(b) The representations should be dated and include the signature and title of a designated individual within the company with the authority to sign and commit on behalf of the contractor. The contractor should explain any exceptions to these representations within its section 3610 reimbursement request.