

Multipurpose Reimbursement Checklist

Applicability:

This multipurpose reimbursement checklist applies to contractor requests for reimbursement, pursuant to section 3610 of the CARES Act, for a single contract or multiple contracts for which the contractor is not using the global settlement checklist and cannot utilize the abbreviated checklist. If a contractor submits section 3610 reimbursement requests for multiple contracts using this checklist, the submission should be for a homogeneous group of contracts, such as contracts for a single program or with a single contracting activity or DoD Component. This checklist provides guidance to the contracting officer for reimbursements meeting these criteria and may be tailored at contracting officer's discretion to fit specific circumstances.

A contractor that is not submitting a 3610 reimbursement request, on its own account, may request section 3610 reimbursement on behalf of its subcontractor(s), if the subcontractor(s) is/are determined, by the contracting officer, to be an affected contractor(s). 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.

Section 3610 reimbursement requests that utilize the guidance in this checklist should be provided to a contracting officer in the applicable contracting activity or DoD Component (Military Department, Defense Agency, Defense Field Activity). At their discretion, when multiple contracts are involved, contracting activities or DoD Components may appoint a lead contracting officer to ensure consistency and efficiency in considering the section 3610 reimbursement request.

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.

The contracting officer should require contractor section 3610 reimbursement requests for a single contract or multiple contracts, to include the following information:

(a) Contractor Name.

(b) Contractor Address.

(c) Contractor Commercial And Government Entity (CAGE) code, Taxpayer Identification Number (TIN), and Unique Entity Identifier.

2. Contractor Organization.

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

(a) Whether the contractor is a parent, subsidiary, division, segment, or otherwise affiliated with another company.

(b) If requests for affiliated companies are being submitted separately, how the contractor is ensuring that duplicate payments for the same costs are not being requested.

(c) Whether the contractor is submitting section 3610 reimbursement requests to other contracting officers or Federal agencies. If so, the contracting officer should require a list of all section 3610 reimbursement requests being submitted.

3. Contracts/Task Orders/Delivery Orders.

The contracting officer should require the contractor should to provide a list of all contracts/task orders/delivery orders under which the contractor is requesting section 3610 reimbursement from DoD and other Federal Agencies, to provide the following:

(a) Each section 3610 reimbursement request should include the timeframe for which each contract is impacted, by contract/task order/delivery order, for which the contractor is requesting section 3610 reimbursement.

(b) Contract type(s) for each contract/task order/delivery order for which the contractor is requesting section 3610 reimbursement.

(c) The list should be sortable and also include the DoD Component, buying activity, contracting officer, CAGE code, TIN, and Unique Entity Identifier.

(d) 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.

4. 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 subcontractor(s) 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 or multiple contracts 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 each 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.

5. 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. This methodology must be consistent across all contracts/task orders/delivery orders and section 3610 reimbursement requests. The contracting officer should require the contractor to ensure that requested section 3610 costs are not part of any other reimbursement request, either as a prime 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 and appropriate indirect rates such as overhead and G&A, but may not include profit or fees; and

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

(3) The current status of the contractor's accounting system for Government contracting purposes, whether: Approved; Adequate; Not Evaluated; Not Applicable; or Disapproved. If the accounting system is disapproved, the contractor should also list the identified deficiencies of the accounting system, and if applicable, the date of the last accounting system approval and any changes since that approval.

(4) Any contractor company-specific guidance on the reimbursement of paid leave under section 3610.

(b) The contracting officer may require the contractor to provide the financial records used in developing its section 3610 reimbursement request.

(c) To keep an employee in a ready state, all paid leave costs in the section 3610 reimbursement request must have been incurred by the contractor or subcontractor and paid by the employer to the employee during the period of the section 3610 reimbursement request.

(1) 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 this class deviation) for each contract/task order/delivery order, broken out by labor category/skill level and by pay period.

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

(ii) 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).

(2) When requesting reimbursement for employees who are typically charged indirectly, the contractor should provide a detailed explanation of how:

(i) Each individual indirect employee meets the criteria addressed in this class deviation; and

(ii) Obtaining reimbursement for these indirect employees' paid leave under section 3610 will not result in a duplication of costs.

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

(i) By labor category and skill level, upon request;

(ii) 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; indicating whether each employee is charged direct assigned to a single contract/task order/delivery order, direct supporting multiple contracts, or indirect;

(iii) 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 rate the contractor charged for each employee's 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. Contractors also may not be reimbursed for paid leave costs for salaried employees to the extent that the salaried employee is paid whether working or not.

(e) The contracting officer should require the contractor to identify the average sick leave hours budgeted for and included in any forward pricing for the period claimed in the section 3610 reimbursement request. This will assist the Department in determining how much sick leave is already included in indirect rates and whether there is any potential duplication of hours in the section 3610 reimbursement request.

(f) *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.

(g) *Applicable Billing Rates.* The contractor shall identify the Forward Pricing Rate Proposal (FPRP), Forward Pricing Rate Agreement (FPRA), Defense Contract Management Agency Forward Pricing Rate Recommendation (FPRR), or appropriate billing rates, as applicable, in place covering the period of time in the section 3610 reimbursement request.

(1) The contractor should explain and document how it developed the applicable indirect rate(s) prior to the public health emergency declared on January 31, 2020, for COVID-19; and

(2) The contractor should show the calculations it used to remove the indirect employees' paid leave charges included in its section 3610 reimbursement request from its indirect rate calculation; the contractor should provide the revised indirect rate(s).

(h) *Certified Cost or Pricing Data.* In accordance with FAR 15.403-4(a)(1)(iii), when the value of a price adjustment associated with an individual contract or subcontract included in a contractor's overarching section 3610 reimbursement request exceeds the threshold for obtaining certified cost or pricing data at FAR 15.403-4(a)(1), when applicable, certified cost or pricing data shall be obtained for only those individual contracts or subcontracts in accordance with FAR 15.403-4.

6. Subcontractor Reimbursement Requests.

(a) *Supporting Information.* For all subcontractor section 3610 reimbursement requests, the contracting officer should require the contractor to provide, for each subcontractor, the same supporting information/documentation that is required from the prime contractor. However, if they meet the criteria, subcontractors may use the abbreviated checklist instead. 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 prime 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 must 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 9, below.

7. 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.

8. 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.

9. 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.