

# BUDGET LETTER

<b>NUMBER:</b>	20-10
<b>SUBJECT:</b>	OFFICE OF EMERGENCY SERVICES – FEMA REIMBURSEMENTS FOR COVID-19
<b>DATE ISSUED:</b>	April 8, 2020
<b>REFERENCES:</b>	<b>SUPERSEDES:</b> BL 20-09

TO: Agency Secretaries  
Department Directors  
Departmental Budget and Accounting Officers  
Department of Finance Budget and Accounting Staff  
Department Procurement Officers

FROM: DEPARTMENT OF FINANCE

This BL informs agencies and departments of the updated process needed to comply with reimbursement requirements of the Federal Emergency Management Agency (FEMA) as it relates to the state's COVID-19 response and supersedes BL 20-09.

Budget offices should forward this budget letter to departmental procurement officers.

## **Background**

On March 4, 2020, the Governor declared a state of emergency to help the state prepare and respond to COVID-19. Since then, state departments have been engaged in various activities to address COVID-19—and the Legislature has already appropriated \$500 million (with the ability to allocate up to \$1 billion) General Fund to support state and local efforts.

On March 22, 2020, California secured a presidential Major Disaster Declaration, which will supplement the state's comprehensive COVID-19 surge planning and make additional resources available. The Major Disaster Declaration makes federal funding available to state, tribal and local governments for emergency protective measures, including direct federal assistance. In addition, a specified level of reimbursement of state costs is available through FEMA pursuant to specific contract and reporting requirements.

## **Contracting Requirements**

There are a number of requirements to seek potential FEMA reimbursement of state expenditures for COVID-19 purposes. **Therefore, any contract for state expenditures for COVID-19 that are not eligible for any other federal funding source must first be reviewed by the Governor's Office of Emergency Services (CalOES).** Contracts that assume Federal Public Assistance Grants Program funding for COVID-19 shall adhere to requirements set forth in the [Procurement Standards for State Agencies Under FEMA Public Assistance](#) training document provided by the Governor's Office of Emergency Services (CalOES). **This is essential for accurate claiming of federal funds and to provide statewide consistency in this response effort.**

State Agencies are required to follow their own procurement procedures, as well as the federal procurement standards and inclusion of required contract provisions per 2

C.F.R. §§ 200.317 - 200.326. State agencies must also review and follow the guidance provided in the FEMA Fact Sheet, "[Procurement Under Grants: Under Exigent or Emergency Circumstances](#)". Please direct questions related to FEMA Public Assistance Procurement Requirements to [PAProcurement@caloes.ca.gov](mailto:PAProcurement@caloes.ca.gov).

Additionally, prior to acceptance, all donations and grants for COVID-19 should be provided to and coordinated through Cal OES. If you receive an offer of a donation or grant, please send a note containing all relevant information to [Contributions@caloes.ca.gov](mailto:Contributions@caloes.ca.gov). If you have questions regarding this BL, please contact your assigned Finance Budget Analyst.

/s/ Matt Almy

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