

## Clarification on Eligible Public Assistance Program Labor Costs for COVID-19

Labor Cost eligibility can usually be determined by whether the labor is budgeted or unbudgeted, and whether the employee is performing eligible work. Only overtime labor is eligible for budgeted employees. For unbudgeted employees, both straight-time and overtime labor are eligible. The following provide additional clarification for these two types of employees.

**Budgeted Employees** – applicants can claim overtime and overtime benefits, but not straight-time and straight-time benefits. These type employees are:

- Permanent employees; and
- Part-time or seasonal employees working during their normal season of employment.

**Unbudgeted Employees** – applicants can claim straight-time and overtime, including benefits. These type employees are:

- Essential employees called back from administrative leave;
- Permanent employees funded from external sources;
- Temporary employees hired to perform eligible work; and
- Part-time or seasonal employees working outside their normal season of employment.

If employees normally have budgeted overtime, those hours are not eligible. Only unbudgeted overtime in those cases are considered eligible.

Any type of leave is considered administrative and not eligible as the employee is no longer performing eligible work.

**Reassigned Employees:** The Applicant may assign an employee to perform work that is not part of the employee's normal job. For example, a police officer may clear debris. FEMA provides PA funding based on the reassigned employee's normal pay rate, not the pay level appropriate to the work, because the Applicant's incurred cost is the employee's normal pay rate. Although a reassigned employees straight-time is not an eligible cost, it is important to calculate the appropriate overtime costs from the base pay rate.

Straight-time of a permanent employee funded from an external source (such as a grant from a Federal agency or statutorily dedicated funds) is eligible if the employee is reassigned to perform eligible Emergency Work that the external source does not fund. FEMA must confirm that no duplication of funding exists prior to approval.

**Backfill Employees:** The Applicant may need to temporarily replace an employee who is responding to the incident. Overtime costs for the backfill employee are eligible even if the backfill employee is not performing eligible work as long as the employee that he/she is replacing is performing eligible Emergency Work.

FEMA also provides PA funding for straight-time if the backfill employee is a:

- Contracted or temporary employee; or
- Permanent employee called in on a normally scheduled day off (weekend or other off day).

If the backfill employee is called in from scheduled leave, only overtime is eligible.