

Hi everyone!

I just responded to a similar question that was posted on the fiscal staff listserv about Hazard Pay and I wanted to share the following info from the Uniform Grant Guidance and OVW about Hazard Pay (i.e., Hazard Pay differential):

In terms of Hazard Pay or hazard pay differentials, it is allowable per the Uniform Grant Guidance (UGG). The UGG states that you can set your compensation as needed as long as it's reasonable and adopted in your written policies (i.e., approved by your Board of Directors and becomes part of your written policies). We could also consider Hazard pay similar to other types of pay differentials that may already exist within the DV field, such as programs that provide a pay differential for overnight shelter workers, etc.

Additionally, the following was released by OVW in recent meetings with TA providers (e.g., RSP and ALSO):

“Hazard pay is subject to the same requirements in 2 C.F.R. § 430 as any other type of compensation. As stated in OVW’s COVID-19 guidance, recipients (and subrecipients) may continue to charge salaries and benefits to their awards consistent with their policy of paying salaries and benefits under unexpected or extraordinary circumstances from all funding sources (Federal and non-Federal). As is the case for all compensation costs charged to an OVW award, any hazard pay must be reasonable, consistent with the recipient or subrecipient’s policy, and applied in the same manner to both federally and non-federally funded staff. In developing and applying their policies on what constitutes a hazard in the context of COVID-19, recipients and subrecipients may look to federal, tribal, state, or local guidelines. Recipients are required to maintain copies of their policies and cost documentation (as required by 2 C.F.R. §§ 200.302, 200.333, and 431(b)(1)) to substantiate the charging of salaries and benefits to their awards.”

The relevant sections within the UGG that apply to Hazard pay include the following:

§200.430 Compensation—personal services. (a) General. Compensation for personal services includes all remuneration, paid currently or accrued, for services of employees rendered during the period of performance under the Federal award, including but not necessarily limited to wages and salaries. Compensation for personal services may also include fringe benefits which are addressed in §200.431 Compensation—fringe benefits. Costs of compensation are allowable to the extent that they satisfy the specific requirements of this part, and that the total compensation for individual employees:

(1) is reasonable for the services rendered and conforms to the established written policy of the non-Federal entity consistently applied to both Federal and non-Federal activities;

(f) Incentive compensation. Incentive compensation to employees based on cost reduction, or efficient performance, suggestion awards, safety awards, etc., is allowable to the extent that the overall compensation is determined to be reasonable and such costs are paid or accrued pursuant to an agreement entered into in good faith between the non-Federal entity and the

employees **before the services were rendered**, or pursuant to an established plan followed by the non-Federal entity so consistently as to imply, in effect, an agreement to make such payment

§200.437 Employee health and welfare costs. a) Costs incurred in accordance with the non-Federal entity's documented policies for the improvement of working conditions, employer-employee relations, employee health, and employee performance are allowable.

I hope this info is helpful and I also wanted to thank Joyce Grover and Sue Ryan for sharing their sample policies.

If you have any questions, please feel free to contact me at eyinwycoff@nnev.org.

Thank you,

Ellen