



OFFICE OF THE CONTROLLER

CITY AND COUNTY OF SAN FRANCISCO

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Policy (issued March 11, 2020)

Continuity of Payment for Nonprofit Suppliers in the Event of COVID-19 Related Disruptions

Background

Nonprofit suppliers deliver essential services to San Francisco residents on behalf of and funded by the City and County of San Francisco. Due to the public health emergency related to COVID-19, certain programs may be required to close or cancel services or suffer other disruptions, which could have implications for cash flow, as the City typically only pays for actual services rendered. This policy is intended to clarify guidance regarding allowability of City payments to nonprofit suppliers in the event of closures related to COVID-19, particularly for services considered “non-essential.” Essential services may be required to stay open and incur extra costs associated with staying open.

General Policy

It is the City’s intent to support the sustainability of nonprofit suppliers by continuing to provide full or partial payment in the event of programmatic closures that are in accordance with recommendations from the San Francisco Department of Emergency Management (DEM). There are three scenarios that may impact application of this policy:

- **Closure of Non-Essential Services:** While there are no recommended closure of non-essential services at this time, if it becomes City policy, as recommended by DEM, that City programs delivering non-essential services should close to promote social distancing or for other reasons, nonprofit suppliers should take reasonable steps to follow that guidance. City departments funding nonprofit suppliers should continue to pay for services during this closure according to the following procedures and guidance.
- **Location-Specific Closure:** If a specific instance of COVID-19 is found at a program site, that location may need to temporarily close. City departments funding the program should continue to pay for services during this closure according to the following procedures and guidance.
- **Service Level Impacts:** Some providers with fee-for-service contracts may remain open but experience lower-than-expected services levels, e.g., if a provider typically receives referrals from a school site that has closed while the provider remains open. This may lead to reductions in the funding that provider typically receives based on the fee-for-service model. These are typically contracts with the Department of Public Health (DPH).

Procedures

- A. Suppliers should notify all funding departments of a closure or impacted program, including whether a closure is location-specific or due to guidance recommended by the City, including DEM and/or DPH, and/or why the service level may be impacted. If the closure is location-specific, suppliers should indicate the specific rationale for the closure, which should be reasonable and associated with City policy guidance.
- B. Suppliers should identify and thoroughly document all expenditures associated with the closed program(s). Documentation (i.e., payroll records, receipts) must be retained to justify expenses, and to support claiming for City funding:

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- Fixed and regular costs (such as rent, utilities, salaries): these costs will continue to be incurred and should be paid normally.
 - Hourly employees (including those that would not otherwise be paid when a program is not operating) should be paid the anticipated wage during the closure.
 - If there are any expenses that will not be incurred due to the programs closure (e.g., avoided food or travel costs for canceled programs), these should be identified and excluded from invoicing. If these costs have been occurred prior to the closure, they should be paid by the contracting department.
 - While these expenditures may be billed using a regular monthly invoice template, the expenses related to a closure should be able to be isolated and available upon request to allow the City to seek reimbursement for these specific costs.
- C. Suppliers with Cost Reimbursement contracts should invoice for the month, but should be flexible and responsive to departmental requests for additional documentation about expenditures during closure, which may include (per departmental needs) documentation of specific services that were expected but unable to be delivered, and costs associated with those services.
- D. Suppliers with Fee-for-Service contracts (i.e., primarily DPH suppliers with contracts with services billed based on units actually provided) should invoice for the month by calculating 1/12th of the contracted units of service, and should be prepared to offer documentation of specific services that were expected but unable to be delivered. For Medi-Cal covered services, DPH will ensure that the cost report settlement process appropriately accounts for the actual cost of services, and DPH expects all units of service to continue to be entered into AVATAR unless notified separately by DPH.
- E. Departments will need to ensure funding is available to pay for canceled services, closed programs or reduced service levels. In particular, departments should ensure federal or state grants are not used to pay for canceled services. If a contract receives federal, state or other grant funding that will not cover the cost of the closure, departments should work with the Controller's Office to ensure General Fund sources are available to pay these costs as feasible and appropriate, and, if not, to determine whether to request additional appropriations to support them. While it is the City's intent to support the sustainability of essential services by backfilling federal and state grants with General Fund, this may not be feasible or appropriate for all contracts, and departments may exercise discretion in determining how to fund services.

Questions and Current Guidance

- 1. If the supplier chooses to close a program without a specific justification such as a recommendation from DEM or a location-specific outbreak, should these costs be funded?**

The City does not plan to reimburse providers for program closures that are not consistent with general City advice or direction. Providers should contact their funding department for advice if they are unclear on the application of the City's general advice to their particular situation, if feasible. However, if a nonprofit provider operates a program in a facility provided by another entity, such as the School District, and that entity closes that facility, the City intends to reimburse for those costs.

- 2. Will the City reimburse the cost of event-specific cleaning of program sites in the event of an actual case of COVID-19? If so, what is the process? Will the City fund the cost of cleaning and**

other emergency preventative expenses that would not be typically incurred, even if no closure is recommended?

Should a provider believe that an employee or client at a program site has been diagnosed with COVID-19, they should contact all funding departments to notify them of the need for closure and cleaning. The City will work with the provider on cleaning and other protocols during the closure, and will reimburse the provider for costs incurred provided it is consistent with public health advice.

The City may issue separate policy guidance on this issue more broadly, and if that occurs, this guidance will be updated. The City is currently exploring how to deliver augmented cleaning services and other supplies at service sites with large vulnerable populations, with funding which would be separate from current funding to nonprofit suppliers.

However, while other City-funded programs may also request such services, some essential supplies may be limited and should be prioritized for specific vulnerable populations in congregate settings. The Department of Public Health has issued guidance regarding appropriate routine cleaning practices for non-healthcare settings, available here: <https://www.sfdph.org/dph/alerts/files/COVID19-Cleaning-Environmental-Businesses-Agencies-24Feb2020.pdf>. If a nonprofit serves vulnerable populations in congregate settings and believes augmented cleaning services and supplies are necessary, these requests will be considered on a case-by-case basis. Contact your funding department to request this support. Departments receiving such requests should contact your EOC representative to identify the need.

3. Will the City reimburse for costs incurred by a provider for employee leaves incurred as a result of precautionary measures nonprofit providers take with their employees?

Each nonprofit organization should review the Department of Public Health's advice regarding vulnerable individuals and work, and make decisions that are in their own interests and those of their employees. Suppliers should also review guidance issued by the Office of Labor Standards Enforcement (OLSE) regarding the use of leave under the Paid Sick Leave Ordinance, available here: <https://sfgov.org/olse/san-francisco-paid-sick-leave-coronavirus>

The City will reimburse nonprofit costs up to the practices in place for City departments and employees, which are attached. Currently, these practices encourage individuals who are at heightened risk of infection (are 60 years old or have certain health conditions) to work remotely, if operationally feasible. If not, non-essential employees in this category may draw down accumulated vacation and sick balances. The City will reimburse providers up to this level, and, as reasonable and required, for incremental costs to backfill employees needed to sustain essential services in their absence.

4. Most departments restrict suppliers from making changes to a program budget after a deadline, generally March 31 or sooner. Will City departments allow a later deadline for requesting these changes to allow nonprofit providers the flexibility to move funding within current contract budgets to better respond to this issue?

Suppliers that experience disruptions resulting from this declared emergency, such as a required closure, may receive an extension for budget revisions through April 30, 2020, or longer pending

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the degree of disruption. City policy is to grant these extensions where operationally feasible. Suppliers may contact department program officer(s) to request an extension. Suppliers should continue normal business operations, and should make reasonable efforts to meet current deadlines for revisions to program budgets.

- 5. Some providers may remain open but experience lower-than-expected service levels, e.g., if a provider typically receives referrals from a school site that has closed while the provider remains open. If these services are funded via a fee-for-service contract, will the City fund the full cost of these services when actual units of service decrease below a sustainable level?**

Nonprofit providers should continue providing services and documenting them as required by departments. Most fee-for-service contracts are within DPH. If a DPH nonprofit provider is seeing lower-than-expected units of service related to COVID-19, please contact your DPH Contract Development and Technical Assistance (CDTA) program manager to report your concerns. If increased support is necessary as it relates to the COVID-19 response, suppliers will be instructed to follow Procedure D above to receive funding in light of decreased service levels. The City's general policy goal is to support service providers experiencing disruptions due to the declared public health emergency.

- 6. Will nonprofit service providers be required to attend department-mandated meetings in person?**

While the Department of Public Health has issued a policy prohibiting gatherings of more than 50 individuals on City-owned facilities through March 20, 2020 in order to promote social distancing and prevent the spread of the virus to vulnerable populations, this order only applies to specific City facilities. To the extent that department-mandated meetings are held at alternative sites and/or have fewer than 50 participants, normal City business should continue to occur. However, City departments should make reasonable efforts to postpone or cancel large-group meetings, and/or to offer meetings as conference calls.

<https://www.sfdph.org/dph/alerts/files/OrderProhibitingGatherings-City-OwnedLocations-Order-C19-02-03072020.pdf>

Updates and Attachments

This policy will continue to be amended as the situation progresses with amended advice on these questions and additional advice on other topics related to City payments to and contracting with nonprofit service providers should they become necessary. Currently, no mass closures have been recommended by the City, but should this occur, it will be a policy shared broadly with all contractors.

- Stay informed about current Department of Public Health community guidance here: <https://www.sfdph.org/dph/alerts/coronavirus.asp>
- Stay informed about current Department of Emergency Management guidance here: <https://www.sf72.org/>
- Stay informed about current Department of Human Resources guidance to City employees here: <https://sfdhr.org/covid-19>

Questions?

Nonprofit suppliers should contact assigned program managers at funding departments with questions about this policy or other issues or concerns related to contracts and grants.

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As necessary, City departments should send questions not addressed by this policy to the Controller's Office. Please send questions via a contracts or budget lead to Laura Marshall at laura.marshall@sfgov.org. Questions may be compiled for a consolidated City response, and the policy may be updated and republished accordingly.

Attachments: Public Health community guidance, March 7, 2020
Department of Human Resources employee practices guidance, March 7, 2020

3/5/2020 Department of Public Health Community Guidance

Upon the confirmation today of two COVID-19 cases among San Francisco residents, indicating community spread, the SF DPH is recommending aggressive action to disrupt the spread of the virus and protect community health. These are systemic as well as individual changes. Now is the time to move and take steps to reduce the spread of the virus.

PUBLIC HEALTH RECOMMENDATIONS

1) Vulnerable Populations: Stay Home

- People 60 years old and older
- People with health conditions such as heart disease, lung disease, diabetes, kidney disease and weakened immune systems
- Don't go to gatherings (of about 50 people or more) unless it is essential
- If you can telecommute, you should
- Avoid people who are sick

2) Gatherings: Don't go

- Recommend not going to concerts, sporting events, conventions or other crowded social gatherings
- Do not attend if sick
- Recommend events be equipped with hand washing, hand sanitizers and tissues
- Recommend high touch surface areas be cleaned frequently

3) Schools: Safety first

- If there is a confirmed case of COVID-19 at a school, DPH will work with the school and the district to determine the best measures including potential school closure.
- Do not go to school if sick
- If you have a child with chronic health conditions, consult your doctor about school attendance
- Equip all schools and classrooms with hand sanitizers and tissues
- Recommend rescheduling or cancelling medium to large events that are not essential
- Explore remote teaching and online options to continue learning

4) Transit: Cleaning and Protection

- Increase cleaning of vehicles and high touch surface areas
- Provide hand washing/hand sanitizers and tissues in stations and on vehicles

5) Health Care Settings: Avoid as possible, protect the vulnerable

- Long term care facilities must have a COVID-19 plan in accordance with DPH guidelines
- Long term care facilities must screen all staff and visitors for illness and turn away those with symptoms
- The general public should avoid going to medical settings such as hospitals, nursing homes and long-term care facilities, even if you are not ill
- If you are ill, call the doctor ahead of time, and you may be able to be served by phone

- Do not visit emergency rooms unless it is essential

6) Public Health Hero: Do your part

The best way for all San Franciscans to reduce their risk of getting sick, as with seasonal colds or the flu, still applies to prevent COVID-19:

- Wash hands with soap and water for at least 20 seconds;
- Cover your cough or sneeze;
- Stay home if you are sick;
- Get your flu shot to protect against flu or symptoms similar to COVID-19;
- Try alternatives to shaking hands, like an elbow bump or wave; and
- If you have recently returned from a country with ongoing COVID-19 infections, monitor your health and follow the instructions of public health officials.

There is no recommendation to wear masks at this time to prevent yourself from getting sick.

You can also prepare for the possible disruption caused by an outbreak:

- Make sure you have a supply of all essential medications for your family;
- Make a child care plan if you or a care giver are sick;
- Make arrangements about how your family will manage a school closure; and
- Make a plan for how you can care for a sick family member without getting sick yourself.

Consult [Centers for Disease Control and Prevention \(CDC\)](#) guidelines for more specific instructions in each of these areas.



March 7, 2020

Subject: DHR Alert COVID-19 Update for City Employees

Dear City and County Employees:

San Francisco now has its first confirmed cases of COVID-19 (novel coronavirus). San Franciscans who tested positive for COVID-19 are being treated at local hospitals. As this public health emergency progresses, we expect further disruptions and impacts on the City and its employees.

As a reminder, all City employees are Disaster Service Workers (DSWs) and may be called to serve the City at this time. We rely on our City workers to step up in time of need.

The Department of Public Health has issued new guidance to improve the safety of individuals who are particularly vulnerable to COVID-19 infection. This guidance includes instructions on minimizing exposure for vulnerable populations.

Vulnerable individuals are those who:

- are 60 years old and older; or
- have health conditions such as heart disease, lung disease, diabetes, kidney disease and weakened immune systems.

The guidance advises vulnerable individuals to limit outings, avoid large gatherings, telecommute if possible, stay home if they are sick, and avoid people who are sick.

If you have a health condition and are unsure whether it places you in the vulnerable population, ask your personal health care provider. If your health care provider advises you to stay away from work and you cannot work remotely, you may use any accrued leave. If you are a vulnerable individual and believe you have a job you can do from home, please discuss this option with your supervisor. You should not disclose your medical condition or other personal information, only that you believe you are in a vulnerable group, and that you are requesting permission to work remotely.

The City will do all it can to minimize health risk for our employees, consistent with DPH recommendations and occupational health standards. Where a department determines it is possible, employees who can perform their work remotely are encouraged to telecommute. Some employees, including those in the vulnerable population, may not be able to telecommute because they need to be at work in order to provide critical city services, for example, health care workers, transit operators, or those serving as Disaster Service Workers. The City will take measures to in the workplace to mitigate risks.

The City is encouraging departments to temporarily expand the use of telecommuting, and to consider offering flexible start and end times for shifts during this period. As you know, not all City employees have jobs that are suited to telecommuting. Review the City telecommute policy and process here: <https://sfdhr.org/telecommute>. If your telecommuting arrangement is approved, you may be able to start telecommuting as soon as next week.

Please remember to keep yourself safe:

- Wash hands with soap and water for at least 20 seconds (the time it takes to hum “Happy Birthday” twice).
- Cover your cough or sneeze (use your elbow or shoulder, not your hands).
- Notify your supervisor and stay home if you are sick.
- Get your flu shot to protect against flu or symptoms similar to COVID-19.

During the course of this public health emergency, the City will not require employees who have been sick with flu or flu-like symptoms to provide a doctor’s note when they return to work, even if the employees are on sick leave restriction or returning after an absence of more than five days.

San Francisco is open for business, and we thank each of you for your continued dedication to making our City a great place to live and work.

Stay up to date on this rapidly evolving situation by visiting <https://www.sfdph.org/dph/default.asp> or <https://www.sf72.org/> and the CDC’s website: <https://www.cdc.gov/coronavirus/2019-ncov>.

Sincerely,

Micki Callahan
Human Resources Director