



Procuring, Donating, or Loaning Personal Protective Equipment and Other Medical Supplies and Equipment Purchased with Federal Funds

Updated November 2, 2020

QUESTION: **May a grantee use Federal funds to provide its employees and grant program participants with personal protective equipment such as masks, hand sanitizer, and plexiglass barriers?**

ANSWER: Yes, provided that certain requirements are met.

ADDITIONAL DETAILS:

As with any cost charged to a grant, both formula and discretionary grantees are responsible for ensuring that only costs that are reasonable, necessary, and allocable to the grant are in fact charged to that grant. For example, if several programs would benefit from personal protective equipment (PPE) or plexiglass barriers acquired by a grantee, then only the costs that benefit a particular program can be charged to that program. If the program has a supplanting prohibition, the grantee must ensure that the purchase of PPE would supplement, and not supplant, such purchases made with other funding.

Generally, a discretionary program grantee may make budget updates of no more than 10 percent of grant funds without approval from the program officer to carry out activities described in the original grant application, including providing PPE to ensure safe interactions. For changes resulting from COVID-19 where grantees would be making adjustments of more than 10 percent of the approved grant budget, program officers will work with each grantee to provide flexibility, as appropriate.

A formula or discretionary grantee and any subgrantees using Federal funds in these ways must maintain appropriate records and cost documentation as required by 2 C.F.R. § 200.302 (financial management) and 2 C.F.R. § 200.333 (retention requirements for records) to substantiate the charging of or any cancellation of other fees related to the interruption of operations or services.

QUESTION: **May Department grantees and subgrantees donate or loan personal protective equipment (PPE) and other medical supplies or equipment purchased with Federal funds to health providers?**

ANSWER: Yes, on a case-by-case basis upon written approval from the U.S. Department of Education (Department). This guidance, which takes effect immediately, modifies guidance issued by the Department on April 14, 2020, related to the donation and loan of PPE and other

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medical equipment and supplies and applies to both formula and discretionary grants. The authority to donate or loan PPE, and other medical supplies and equipment is now extended through June 30, 2021.

ADDITIONAL DETAILS:

The Department has received questions on whether a grantee or subgrantee that used Federal funds from Department grant programs to purchase PPE (e.g., gloves, masks, face shields, gowns), other medical supplies or equipment (e.g., ventilators), or equipment that may be used to produce medical supplies (e.g., three-dimensional printers) may donate or loan such items to local, State, Federal, Tribal, and Territorial public health agencies, as well as licensed private nonprofit hospitals and other licensed health providers,¹ to respond to the Novel Coronavirus disease (COVID-19).

Consistent with 2 CFR § 200.102(b), and based on a case-by-case evaluation of individual circumstances, the Department may provide grantees and subgrantees with exceptions to the equipment and supply disposition requirements of the *Uniform Administrative Requirements, Cost Principles, And Audit Requirements for Federal Awards* (Uniform Guidance), 2 C.F.R. §§ 200.313 and 200.314 to allow grantees to loan or donate PPE or other medical supplies or equipment where necessary as part of ongoing local work to combat COVID-19. In addition, please note that if in accordance with 2 C.F.R. § 300.313, a loan of medical equipment to Federally funded grant activities could take place without prior approval from the Department:

During the time that equipment is used on the project or program for which it was acquired, the non-Federal entity must also make equipment available for use on other projects or programs currently or previously supported by the Federal Government, provided that such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use must be given to other programs or projects supported by Federal awarding agency that financed the equipment, and second preference must be given to programs or projects under Federal awards from other Federal awarding agencies. Use for non-federally funded programs or projects is also permissible. User fees should be considered if appropriate. 2 C.F.R. § 300.313 (b)(2).

As a result, if the PPE, other medical supplies or equipment, or equipment that may be used to produce medical supplies purchased with Department funds are not needed for program activities at the time of donation or loan, grantees and subgrantees that receive specific written approval may donate or loan these much-needed items to local, State, Federal, Tribal, and Territorial public health agencies, as well as licensed private nonprofit hospitals and other licensed health providers, consistent with this guidance. In donating or loaning PPE, other medical supplies or equipment, or equipment that may be used to produce medical supplies purchased with funds provided by the Department, grantees and subgrantees must maintain appropriate documentation of the disposition of all donated or loaned items, and make the records available to the Department during monitoring, audits, or other reviews. These records should include the following:

- (1) a description of the types and quantities of the equipment or supplies that were donated or loaned;
- (2) the source (the Federal program(s) funds involved) and the amount of Federal funding used to purchase the equipment or supplies;
- (3) the entity or entities to which the equipment or supplies were donated or loaned; and
- (4) the date of the donation or loan, and, if loaned, the date the loaned item(s) were returned to the grantee or subgrantee.

¹ This list will be periodically updated, as warranted.

The grantee and subgrantee must maintain the records for a minimum of three years and until the resolution of any audit, monitoring, or oversight conducted relative to the donation or loan, as required by 2 C.F.R. § 200.302 (financial management) and 2 C.F.R. § 200.333 (retention requirements for records).

In donating or loaning PPE, other medical supplies or equipment, or equipment that may be used to produce medical supplies, grantees and subgrantees should not assume additional Federal funds will be available should the donations, loan, or repurposing of funds result in any type of shortage.

The Department intends to follow-up with grantees (and through them, subgrantees) regarding the donations and loans of PPE, other medical supplies or equipment, or equipment that may be used to produce medical supplies and other exceptions and flexibilities granted as a result of the COVID-19 pandemic. We would complete an information collection pursuant to the Paperwork Reduction Act of 1980, as amended before requiring any covered disclosures to the Department.

If you have questions about this exception, please contact the Department program officer for your grant. If you have additional questions regarding how the Department can best support you as you respond to the challenges presented by COVID-19, please contact COVID-19@ed.gov. The Department also encourages you to continue to monitor information regarding COVID-19 from the Centers for Disease Control and Prevention at www.cdc.gov/coronavirus/ and at our website, www.ed.gov/coronavirus.