



**United States
Department of
Agriculture**

Office of the
Chief
Financial Officer

1400
Independence
Avenue, SW

Washington, DC
20250

TO: Chief Financial Officers

FROM: Scott Soles
Principal Deputy Chief Financial Officer

SUBJECT: Implementation of OMB Memorandum M-20-11, “*Administrative Relief for Recipients and Applicants of Federal Financial Assistance Directly Impacted by the Novel Coronavirus (COVID-19)*” and OMB Memorandum M-20-17, “*Administrative Relief for Recipients and Applicants of Federal Financial Assistance Directly Impacted by the Novel Coronavirus (COVID-19) due to Loss of Operations*”

This memo provides guidance to implement the flexibilities authorized by the Office of Management and Budget (OMB) provided in [M-20-11](#) and [M-20-17](#).

M-20-11 provides administrative relief for recipients and applicants of Federal Financial Assistance that support the continued research and services necessary to carry out the emergency response related to COVID-19. Please refer to the 10 flexibilities granted under M-20-11 at the above link.

M-20-17 provides similar administrative relief to an expanded scope of recipients affected by the loss of operational capacity and increased costs due to the COVID-19 crisis. Similar to M-20-11, M-20-17, OMB is allowing Federal agencies to issue class¹ and individual exceptions to recipients affected by the loss of operational capacity and increased costs due to the COVID-19 crisis. OMB will eventually request data on what flexibilities were offered. We anticipate issuing additional guidance in the near future.

Please note that, pursuant to OMB guidance, these administrative flexibilities are intended to be time limited. OMB plan to reassess their applicability within 90 days. The Office of the Chief Financial Officer (OCFO) will update our guidance, as needed, at that time.

M-20-17 contains the following 13 exceptions to recipients affected by the loss of operational capacity and increased costs due to the COVID-19 crisis.

1. Flexibility with SAM registration. (2 CFR § 200.205)

Awarding agencies can relax the requirement for active System for Award Management (SAM) registration at time of application in order to expeditiously issue funding. At the time of award, the requirements of 2 CFR § 200.205, *Federal awarding agency review of risk posed by applicants*, continue to apply. Current registrants in SAM with active registrations expiring before May 16, 2020 will be afforded a one-time extension of 60 days.

¹ [2 CFR §200.15](#).

2. Flexibility with application deadlines. (2 CFR § 200.202)

Awarding agencies may provide flexibility with regard to the submission of competing applications in response to specific announcements, as well as unsolicited applications. As appropriate, agencies should list specific guidance on their websites and/or provide a point of contact for an agency program official.

3. Waiver for Notice of Funding Opportunities (NOFOs) Publication. (2 CFR § 200.203)

For competitive grants and cooperative agreements, awarding agencies can publish emergency Notice of Funding Opportunities (NOFOs) for less than thirty (30) days without separately justifying shortening the timeframe for each NOFO. Awarding agencies would still be required to document and track NOFOs published for less than thirty (30) days under this emergency waiver.

4. No-cost extensions on expiring awards. (2 CFR § 200.308)

To the extent permitted by law, awarding agencies may extend awards which were active as of March 31, 2020 and scheduled to expire prior or up to December 31, 2020, automatically at no-cost for a period of up to twelve (12) months. This will allow time for recipient assessments, the resumption of many individual projects, and a report on program progress and financial status to agency staff. Project-specific financial and performance reports will be due 90 days following the end date of the extension. Awarding agencies will examine the need to extend other project reporting as the need arises.

5. Abbreviated non-competitive continuation requests. (2 CFR § 200.308)

For continuation requests scheduled to come in from April 1, 2020 to December 31, 2020, from projects with planned future support, awarding agencies may accept a brief statement from recipients to verify that they are in a position to: 1) resume or restore their project activities; and 2) accept a planned continuation award. Awarding agencies should post any specific instructions on their website. Awarding agencies will examine the need to extend this approach on subsequent continuation award start dates as recipients have an opportunity to assess the situation.

6. Allowability of salaries and other project activities. (2 CFR § 200.403, 2 CFR § 200.404, 2 CFR § 200.405)

Awarding agencies may allow recipients to continue to charge salaries and benefits to currently active Federal awards consistent with the recipients' policy of paying salaries (under unexpected or extraordinary circumstances) from all funding sources, Federal and non-Federal. Awarding agencies may allow other costs to be charged to Federal awards necessary to resume activities supported by the award, consistent with applicable Federal cost principles and the benefit to the project. Awarding agencies may also evaluate the grantee's ability to resume the project activity in the future and the appropriateness of future funding, as done under normal circumstances based on subsequent progress reports and other communications with the grantee. Awarding agencies must require recipients to maintain appropriate records and cost documentation as required by 2 CFR § 200.302, Financial management and 2 CFR § 200.333, Retention requirement of records to substantiate the charging of any salaries and other project activities costs related to interruption of operations or services.

7. Allowability of Costs not Normally Chargeable to Awards. (2 CFR § 200.403, 2 CFR § 200.404, 2 CFR § 200.405)

Awarding agencies may allow recipients who incur costs related to the cancellation of events, travel, or other activities necessary and reasonable for the performance of the award, or the pausing and restarting of grant funded activities due to the public health emergency, to charge these costs to their award without regard to 2 CFR § 200.403, *Factors affecting allowability of costs*, 2 CFR § 200.404, *Reasonable costs*, and 2 CFR § 200.405, *Allocable costs*. Awarding agencies may allow recipients to charge full cost of cancellation when the event, travel, or other activities are conducted under the auspices of the grant. Awarding agencies must advise recipients that they should not assume additional funds will be available should the charging of cancellation or other fees result in a shortage of funds to eventually carry out the event or travel. Awarding agencies must require recipients to maintain appropriate records and cost documentation as required by 2 CFR § 200.302, *Financial management* and 2 CFR § 200.333, *Retention requirement of records*, to substantiate the charging of any cancellation or other fees related to interruption of operations or services. As appropriate, awarding agencies may list additional guidance on specific types of costs on their websites and/or provide a point of contact for an agency program official.

8. Prior approval requirement waivers. (2 CFR § 200.407)

Awarding agencies are authorized to waive prior approval requirements as necessary to effectively address the response. All costs charged to Federal awards must be consistent with Federal cost policy guidelines and the terms of the award, except where specified in this memorandum.

9. Exemption of certain procurement requirements. (2 CFR§ 200.319(b), 2 CFR§ 200.321)

Awarding agencies may waive the procurement requirements contained in 2 CFR§ 200.319(b) regarding geographical preferences and 2 CFR§ 200.321 regarding contracting small and minority businesses, women's business enterprises, and labor surplus area firms.

10. Extension of financial, performance, and other reporting. (2 CFR§ 200.327, 2 CFR§ 200.328)

Awarding agencies may allow grantees to delay submission of financial, performance and other reports up to three (3) months beyond the normal due date. If an agency allows such a delay, grantees will continue to draw down Federal funds without the timely submission of these reports. However, these reports must be submitted at the end of the postponed period. In addition, awarding agencies may waive the requirement for recipients to notify the agency of problems, delays or adverse conditions related to COVID-19 on a grant by grant basis (200 CFR 200.328(d)(1)).

11. Extension of currently approved indirect cost rates. (2 CFR§ 200.414 (c))

Awarding agencies may allow grantees to continue to use the currently approved indirect cost rates (i.e., predetermined, fixed, or provisional rates) to recover their indirect costs on Federal awards. Agencies may approve grantee requests for an extension on the use of the current rates for one additional year without submission of an indirect cost proposal. Agencies may also approve grantee requests for an extension of the indirect cost rate proposal submission to finalize the current rates and establish future rates.

12. Extension of closeout. (2 CFR§ 200.343)

Awarding agencies may allow the grantee to delay submission of any pending financial, performance and other reports required by the terms of the award for the closeout of expired projects, provided that proper notice about the reporting delay is given by the grantee to the agency. This delay in submitting closeout reports may not exceed one year after the award expires.

13. Extension of Single Audit submission. (2 CFR § 200.512)

Awarding agencies, in their capacity as cognizant or oversight agencies for audit, should allow recipients and subrecipients that have not yet filed their single audits with the Federal Audit Clearinghouse as of the date of the issuance of this memorandum that have fiscal year-ends through June 30, 2020, to delay the completion and submission of the Single Audit reporting package, as required under Subpart F of 2 CFR § 200.501, *Audit Requirements*, to six (6) months beyond the normal due date. No further action by awarding agencies is required to enact this extension. This extension does not require individual recipients and subrecipients to seek approval for the extension by the cognizant or oversight agency for audit; however, recipients and subrecipients should maintain documentation of the reason for the delayed filing. Recipients and subrecipients taking advantage of this extension would still qualify as a "low-risk auditee" under the criteria of 2 CFR § 200.520 (a)-*Criteria for a low-risk auditee*.

We encourage awarding agencies to post to their website any memoranda, guidance and Frequently Asked Questions (FAQs) issued relevant to grant applicants and recipients that detail how impacts created by COVID-19 will affect their programs.

OCFO asks Chief Financial Officers to provide a Federal financial assistance COVID-19 Point of Contact (POC) for each agency and staff office. This is someone in your agency or staff office who could be the POC for COVID-19 grant related questions within USDA as well as assisting your grant applicants and recipients. Please submit your POC to Tyson Whitney, Director, Transparency and Accountability Reporting Division (TARD) at tyson.whitney@usda.gov by ***April 15, 2020***.

Questions about this guidance should be directed to Tyson Whitney at 202-720-8978.

cc: Agency Heads
Staff Office Directors
Federal Financial Assistance Committee
Federal Financial Assistance Committee Agency Leads