



Department of Transportation
Office of the Senior Procurement Executive
Financial Assistance Policy and Oversight Division

No. FAPL- 2020-01
Date 3/10/2020

FINANCIAL ASSISTANCE POLICY LETTER

This Office of the Senior Procurement Executive Policy Letter is issued under the authority of the Senior Procurement Executive of the Department of Transportation

Subject:

Memorandum from the Office of Management and Budget (M-20-11), Administrative Relief for Recipients and Applicants of Federal Financial Assistance Directly Impacted by the Novel Coronavirus (COVID-19)

References:

- Office of Management and Budget (OMB) Memorandum for the Heads of Executive Departments and Agencies, M-20-11, “*Administrative Relief for Recipients and Applicants of Federal Financial Assistance Directly Impacted by the Novel Coronavirus (COVID-19)*”, dated March 9, 2020.
- 2 CFR 200 – “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards”

When is this Financial Assistance Policy Letter (FAPL) Effective?

The Office of the Senior Procurement Executive Policy Letter is effective immediately.

When Does This FAPL Expire?

The exceptions provided by OMB are time limited and are only applicable for those awards that support the continued research and services necessary to carry out the emergency response related to COVID-19 during the period formally declared by the Department of Health and Human Services through the 90 Day Public Health Emergency Declaration (Public Health Emergency Period).

The Administration will evaluate if these flexibilities should be extended to recipients whose operations have been adversely impacted in the emergency response related to COVID-19 at a later date.

Who is the Point of Contact?

Contact Audrey Clarke, Associate Director, Office of the Senior Procurement Executive, Financial Assistance Policy and Oversight Division, at 202-366-4268 or by email at: audrey.clarke@dot.gov.

What is the Purpose of this FAPL?

The Office of Management and Budget has identified several areas where applicants and recipients for Federal financial assistance directly affected by the Novel Coronavirus (COVID-19) may be provided some short-term relief from administrative, financial management and audit requirements under 2 CFR 200 without compromising grantee accountability requirements.

DOT Agencies are authorized to take the following actions, as they deem appropriate, with respect to the administrative provisions that apply to this class of Federal awards. These exceptions are time limited and are only applicable for those awards that support the continued research and services necessary to carry out the emergency response related to COVID-19 during the period formally declared by the Department of Health and Human Services through the 90 Day Public Health Emergency Declaration (Public Health Emergency Period). The actions include:

1. Flexibility with SAM registration/recertification for applicants.
2. Waiver for Notice of Funding Opportunities (NOFOs) Publication.
3. Pre-award costs.
4. No-cost extensions on expiring awards.
5. Abbreviated non-competitive continuation requests.
6. Expenditure of award funds for salaries and other project activities.
7. Waivers from prior approval requirements.
8. Exemption of certain procurement requirements.
9. Extension of financial and other reporting.
10. Extension of Single Audit submission.

What is the Background?

As with previous natural disaster or public health emergency declarations, OMB has worked with Federal Agencies to determine where affected applicants and recipients may be provided some short-term relief from administrative, financial management and audit requirements on financial assistance awards.

What is the Guidance?

Attached to this policy letter is the OMB guidance concerning short-term relief for applicants and recipients for Federal financial assistance directly affected by the Novel Coronavirus (COVID-19). Appropriation notations to the award file should be made if the agency takes any of the above-mentioned actions.

Audrey Clarke

Audrey Clarke, Ph.D.
Associate Director,
Financial Assistance Policy and Oversight

Attachment




EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

DEPUTY DIRECTOR
FOR MANAGEMENT

March 9, 2020

M-20-11

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Margaret Weichert
Deputy Director of Management 

SUBJECT: Administrative Relief for Recipients and Applicants of Federal Financial Assistance Directly Impacted by the Novel Coronavirus (COVID-19)

The Office of Management and Budget (OMB) has identified the following agency actions to relieve short term administrative, financial management and audit requirements under 2 CFR 200, *Uniform Administrative Requirements, Cost principles and Audit Requirements for Federal Awards*, without compromising Federal financial assistance accountability requirements. In accordance with 2 CFR § 200.102, *Exceptions*, OMB is allowing Federal agencies to grant class exceptions in instances where the agency has determined that the purpose of the Federal awards is to support the continued research and services necessary to carry out the emergency response related to COVID-19. Further, agencies are reminded of their existing flexibility to issue exceptions on a case-by-case basis in accordance with 2 CFR § 200.102, *Exceptions*.

The Administration will evaluate if these flexibilities should be extended to recipients whose operations have been adversely impacted in the emergency response related to COVID-19 at a later date.

Awarding agencies are authorized to take the following actions, as they deem appropriate, with respect to the administrative provisions that apply to this class of Federal awards. These exceptions are time limited and are only applicable for those awards that support the continued research and services necessary to carry out the emergency response related to COVID-19 during the period formally declared by the Department of Health and Human Services through the 90 Day Public Health Emergency Declaration (Public Health Emergency Period).

1. Flexibility with SAM registration/recertification for applicants.

Awarding agencies can relax the requirement for active 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.

2. Waiver for Notice of Funding Opportunities (NOFOs) Publication.

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.

3. Pre-award costs.

Awarding agencies may allow necessary pre-award costs that are incurred (i) from January 20, 2020 through the Public Health Emergency Period and (ii) prior to the effective date of a Federal award.

4. No-cost extensions on expiring awards.

Awarding agencies may extend awards which are active as of March 31, 2020 and scheduled to expire prior or up to December 31, 2020, automatically at no-cost for a period 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. Agencies will examine the need to extend other project reporting as the need arises.

5. Abbreviated non-competitive continuation requests.

For non-competitive 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 grantee organizations to verify that they are in a position to: (i) resume or restore their project activities and (ii) accept a planned continuation award. Agencies should post any specific instructions on their website. Agencies will examine the need to extend this approach on subsequent continuation award start dates as grantee organizations have an opportunity to assess the situation.

6. Expenditure of award funds for salaries and other project activities.

Awarding agencies may allow recipients to continue to charge salaries and benefits to currently active Federal awards consistent with the recipient organization's policy of paying salaries (under unexpected or extraordinary circumstances) from all funding sources, Federal and non-Federal. Agencies may allow other costs to be charged to Federal awards, including those necessary to resume activities supported by the award, consistent with applicable Federal cost principles and the benefit to the project. Federal agencies may also evaluate the recipient'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 recipient.

7. Waivers from prior approval requirements.

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.

8. Exemption of certain procurement requirements.

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.

9. Extension of financial and other reporting.

Awarding agencies may allow recipients to delay submission of financial and other reports up to three (3) months beyond the normal due date. If an agency allows such a delay, recipients 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.

10. Extension of Single Audit submission.

Awarding agencies should allow grantees to delay the completion and submission of the Single Audit report as required under Subpart F of 2 CFR 200, *Audit Requirements*, to twelve (12) months beyond the normal due date. The delayed completion and submission would still qualify the grantee as a "low-risk auditee" under the criteria of 2 CFR § 200.520(a), *Criteria for a low-risk auditee*.

Questions regarding the above administrative relief provisions should be directed to Office of Federal Financial Management – Gilbert Tran at (202) 395-3052 or Rhea Hubbard at (202) 395-2743.