



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

**No. FAPL- 2020-03**  
**Date 6/15/2020**

## 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

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### Subject:

Memorandum from the Office of Management and Budget (M-20-20), Repurposing Existing Financial Assistance Programs and Awards to Support the Emergency Response to the Novel Coronavirus (COVID-19).

### References:

- Office of Management and Budget (OMB) Memorandum for the Heads of Executive Departments and Agencies, M-20-20, “*Repurposing Existing Financial Assistance Programs and Awards to Support the Emergency Response to the Novel Coronavirus (COVID-19).*”
- Office of Management and Budget (OMB) Memorandum for the Heads of Executive Departments and Agencies, 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,*” dated March 19, 2020.
- 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 class exception provided by OMB is not time limited.

### 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](mailto:audrey.clarke@dot.gov).

## **What is the Purpose of this FAPL?**

In accordance with the authority in 2 CFR § 200.102(a), *Exceptions*, OMB is issuing a class exception that allows Federal awarding agencies to repurpose their federal assistance awards (in whole or part) to support the COVID-19 response, as consistent with applicable laws. Examples of the flexibilities are included in the memo.

DOT Agencies are authorized to take the actions outlined in the memo, as they deem appropriate, and to the extent permitted by law, with respect to the class exception permitted by OMB.

## **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 the class exception issued by OMB that allows Federal agencies to repurpose their existing Federal awards in support of the COVID-19 response, as consistent with Federal laws. If an agency takes any of the above actions, the following should be considered:

- Financial assistance program staff shall consult with the Office of the General Counsel or their Operating Administration's Office of the Chief Counsel before determining that the class exceptions under the guidance issued on a case-by-case basis are applicable to any award. Specific programs' authorizing legislation may preclude such actions, or the actions may be inappropriate for specific programs or recipients.
- Exceptions must be applied consistently. Best practices may include development of policy documents to ensure that each applicant/recipient receives the appropriate consideration, and post appropriate documentation on the agency's website.
- Maintain appropriate documentation in the award file, and require recipients to maintain appropriate records and documentation requirements to support any charges against the Federal awards.

Willie H. Smith  
Senior Procurement Executive  
Attachment




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

DEPUTY DIRECTOR  
FOR MANAGEMENT

April 9, 2020

M-20-20

MEMORANDUM TO THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Michael Rigas  
Acting Deputy Director for Management   
SUBJECT: Repurposing Existing Federal Financial Assistance Programs and Awards to Support the Emergency Response to the Novel Coronavirus (COVID-19)

As our response to the national emergency for the coronavirus disease (COVID-19) continues to evolve, this Administration directs all Federal departments and agencies to marshal all legally available federal resources to combat the crisis. In accordance with the authority in 2 CFR § 200.102(a), *Exceptions*, OMB is issuing a class exception that allows Federal awarding agencies to repurpose their federal assistance awards (in whole or part) to support the COVID-19 response, as consistent with applicable laws.

As an example of this flexibility, agencies may allow recipients to donate medical equipment (including, but not limited to, personal protective equipment, medical devices, medicines, and other medical supplies) purchased with Federal assistance funds to hospitals, medical centers, and other local entities serving the public for COVID-19 response. This class exception also extends to the donation of other resources (such as labor, supplies, and contract services) funded under Federal financial assistance to support COVID-19 emergency response activities.

To exercise these exceptions, Federal awarding agencies must engage with their respective legal counsel to ensure that any such donation or repurposing of funds as permitted here complies with all legal requirements associated with such funding, including but not limited to compliance with the purpose of the appropriations and any restrictions in programmatic statutes, appropriations, and fiscal laws. Federal awarding agencies and recipients must maintain appropriate records and documentation of these exceptions. Federal awarding agencies must advise recipients that they should not assume additional funds will be available should the donations or repurposing of funds result in any type of shortage.

This is the third memorandum, in a series, regarding available Federal financial assistance flexibilities related to COVID-19. (See OMB M-20-11, *Administrative Relief for Recipients and Applicants of Federal Financial Assistance Directly Impacted by the Novel Coronavirus (COVID-19)* (March 09, 2020); and, OMB 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* (March 19, 2020)).

Questions regarding the above requirements should be directed to the Office of Federal Financial Management Grants Team at [GrantsTeam@omb.eop.gov](mailto:GrantsTeam@omb.eop.gov). OMB will continue to provide updates and additional information as the situation unfolds. For the latest information, sign up for the Grants Community of Practice: <https://www.performance.gov/CAP/grants/>