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Memorandum authorizing COVID 19 flexibilities pursuant to OMB Memorandum M-20-17

Date: May 8, 2020 (Revised)

From: Mark Walther, Director, Office of Acquisition and Assistance, Bureau for Management (M/OAA)

Subject: Administrative Relief for Recipients and Applicants of Federal Financial Assistance Directly Impacted by the Novel Coronavirus (COVID-19) due to Loss of Operations

OMB Memorandum M-20-17 provides administrative relief to recipients affected by the loss of operational capacity and increased costs due to the COVID-19 crisis. Many of the operational impacts and costs are not known at this point, as they will depend on the spread of the coronavirus and response dictated by public health needs. The OMB Memorandum provides short term relief for administrative, financial management, and audit requirements under 2 CFR Part 200, Uniform Administrative Requirements, Cost principles and Audit Requirements for Federal Awards, without compromising Federal financial assistance accountability requirements. Please note that the OMB exceptions that provide this administrative relief are time limited, and will be reassessed by OMB around June 17, 2020.

Pursuant to Memorandum M-20-17, USAID takes the following actions listed in Appendix A with respect to the administrative provisions that apply to recipients affected by the loss of operational capacity. In no circumstance can costs exceed the amount obligated in the award. The agency will not reimburse any such costs. Recipients must ensure that all costs associated with any potential repatriation, termination, budget revision, and close-out costs are budgeted and available within the obligated amount of the award.

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

Applicants are not required to have an 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 are afforded a one-time extension of 60 days. These flexibilities have been operationalized by Grants.gov. The Applicant Release Notes are posted here: <https://www.grants.gov/web/grants/support/releases.html>.

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

Agreement Officers may provide flexibility with regard to the submission of competing applications in response to specific announcements, as well as unsolicited applications.

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

For competitive grants and cooperative agreements, USAID may publish an emergency Notice of Funding Opportunities (NOFOs) for less than thirty (30) days. Agreement Officers must 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)

The Agreement Officer may extend awards that were active as of March 31, 2020 and scheduled to expire prior or up to December 31, 2020, at no additional cost for a period of up to twelve (12) months, at the request of the recipient. This will allow time for recipient assessments, the resumption of many individual projects, and a report on program progress and financial status to USAID. Project-specific financial and performance reports will be due 90 days following the end date of the extension. USAID 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 awards with planned future support, recipients must submit a brief statement to their cognizant Agreement Officer and Agreement Officer's representative to verify that they are in a position to:

- 1) resume or restore their project activities; and
- 2) accept a planned continuation award.

Agreement officers will provide any specific instructions. USAID 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)

Recipients may continue to charge salaries and benefits to currently active awards consistent with the recipients' policy of paying salaries (under unexpected or extraordinary circumstances) from all funding sources, Federal and non-Federal. Recipients may charge other costs to their awards as necessary to resume activities supported by the award, consistent with applicable Federal cost principles and the benefit to the award. Prior to incurring such costs recipients must notify the AO and the AOR of these costs. In no circumstances can cost exceed the amount obligated in the award. The Agency will not reimburse any such costs. Recipients must ensure that all costs associated with any potential repatriation, termination and close-out costs are budgeted and available within the obligated amount of the award. USAID will continue to evaluate the recipient's ability to resume project activities in the future and the appropriateness of future funding, based on subsequent progress reports and other communications with recipients. Recipients must 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)

USAID 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. USAID may allow recipients to charge the full cost of cancellation when the event, travel, or other activities are conducted under the auspices of the award. Recipients 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. Recipients must 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. Recipients must contact their AO for guidance on specific costs. In no circumstances can cost exceed the amount obligated in the award. The Agency will not reimburse any such costs. Recipients must ensure that all costs associated with any potential repatriation, termination and close-out costs are budgeted and available within the obligated amount of the award.

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

USAID waives the prior approval requirements as listed in 2 CFR 200.407 to allow recipients to effectively address the response. However, recipients must coordinate with AOs/AORs for these requirements. All costs charged to Federal awards must be consistent with Federal cost policy guidelines and the terms of the award, unless otherwise specified in the memorandum. In no circumstances can cost exceed the amount obligated in the award. The Agency will not reimburse any such costs. Recipients must ensure that all costs associated with any potential repatriation, termination and close-out costs are budgeted and available within the obligated amount of the award.

9. Budget transfers among direct cost categories. (2 CFR §200.308(e))

If USAID has restricted the transfer of funds within the award, in accordance with 2 CFR §200.308(e) which allows the restriction of “the transfer of funds among direct cost categories” when “the cumulative amount of such transfers exceeds or is expected to exceed 10 percent of the total budget as last approved by the Federal awarding agency,” this restriction is waived. Any revision to the budget made as a result of this authorization must be a direct result of the COVID-19 crisis and properly documented. Such changes to the budget must be communicated in writing to the AOR and AO as soon as possible. This authorization applies only to cost-reimbursable Assistance Awards and does not apply to fixed amount awards. It

may not be used to enact any changes that were previously disapproved by the Agency. This authorization does not permit a transfer that would cause any appropriation to be used for purposes other than those consistent with the appropriation, so any budget line items that represent a discrete funding source or funds for work on behalf of a specific operating unit/program area must not be revised without prior approval by the AO.

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

USAID waives 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.

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

Recipients may delay submission of financial, performance and other reports up to three (3) months beyond the normal due date. Recipients may 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, USAID waives 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)(l)).

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

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

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

Recipients may 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 recipient to USAID. This delay in submitting closeout reports may not exceed one year after the award expires.

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

When USAID is the cognizant or oversight agency for the audit, USAID allows 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 USAID is required to enact this extension. This extension does not require individual recipients and subrecipients to seek approval for the extension by USAID; 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.