



Grantee Financial Flexibilities under COVID-19

Introductory Note:

On March 19, 2020, the Office of Management and Budget (OMB) released guidance providing federal agencies flexibility in a number of areas related to financial management of grant awards. Please note that these waivers are time-limited for the next 90 days, or sooner, if OMB withdraws the authority. Information presented below indicates how the Administration for Community Living (ACL) is applying those waivers to its programs, based on guidance provided by OMB and ACL's Office of Grants Management. Please contact your Project Officer for specific questions.

SAM registration (2 CFR § 200.205)

ACL is delaying System Award Management (SAM) registration requirements currently in place at time of application. Current registrants in SAM with active registrations expiring before May 16, 2020 will be afforded a one-time extension of 60 days.

Flexibility with application deadlines (2 CFR § 200.202)

In order to meet emergency needs ACL now has authority to have NOFOs published for less than 30 days. Please review each application carefully as current requirements may differ from past. Contact your project officer with any questions.

Notice of Funding Opportunities (NOFOs) Publication (2 CFR § 200.203)

In order to meet the need to provide emergency funding ACL may be publishing Notice of Funding Opportunities (NOFOs) for less than 30 days. ACL NOFOs can be found here: <https://acl.gov/grants/open-opportunities>. We recommend routinely monitoring this information for additional award specific information.

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

To the extent permitted by law, ACL will extend awards (both discretionary and mandatory) 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. Individual extensions will be made on a case by case basis. Project-specific financial and performance reports will be due 90 days following the end date of the extension. ACL will examine the need to extend other project reporting as the need arises. For assistance, please contact your project officer.

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

ACL will allow grantees 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.

Grantees should inform ACL if they are no longer able to perform duties of their award. ACL will evaluate grantee's ability to resume the project activity in the future and the appropriateness of future funding, as we would under normal circumstances based on subsequent progress reports and other communications with the grantee. As always, grantees 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.

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

ACL will allow grantees to 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*.

Furthermore, ACL will allow recipients to charge full cost of cancellation when the event, travel, or other activities are conducted under the auspices of the grant. Grantees 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.

Grantees 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.

Prior approval requirements (2 CFR § 200.407)

ACL hereby waives prior approval requirements on expenses necessary to address grantee responses to COVID-19. 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.

Please note that waiving prior approval does not waive other requirements that would normally apply to an expense (allowability, reasonableness, allocable, etc.).

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

ACL waives 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.

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

ACL will now allow grantees to delay submission of financial, performance and other reports up to three (3) months beyond the normal due date. Grantees should continue to draw down Federal funds without the timely submission of these reports and submit required reports at the end of the postponed period. Grantees need to inform agencies regardless if these delays are due to conditions related to COVID-19 (200 CFR 200.328(d)(l)) or not. Extension requests will be granted on a case-by-case basis.

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

ACL is now allowing 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 for an additional year. Additionally, grantees may requests an extension on the use of the current rates for one additional year without submission of an indirect cost proposal.

ACL may also, on a case by case basis, approve grantee requests for an extension of the indirect cost rate proposal submission to finalize the current rates and establish future rates. Please contact your project officer with specific requests.

Extension of closeout (2 CFR § 200.343)

ACL will allow grantees 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.

Extension of Single Audit submission (2 CFR § 200.512)

ACL will allow grantees 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. Grantees do not need to seek approval for the extension by the cognizant or oversight agency for audit; however, they should maintain documentation of the reason for the delayed filing. Grantees 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*.