




FEMA

March 27, 2020

MEMORANDUM FOR: All States, Territories, Tribal Governments, Local Governments, and All Other Non-Federal Entities Receiving FEMA Financial Assistance

FROM: Bridget E. Bean 
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SUBJECT: Short Term Administrative Relief for Recipients and Subrecipients of FEMA Financial Assistance Directly Impacted by the Novel Coronavirus (COVID-19) Due to Loss of Operations

On March 19, 2020, the Office of Management and Budget (OMB) issued 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*, affording Federal awarding agencies with additional flexibilities (exceptions) to provide administrative relief to financial assistance recipients affected by the loss of operational capacity and increased costs due to the COVID-19 crisis.

The Federal Emergency Management Agency (FEMA) is providing short-term relief for various administrative actions under 2 C.F.R. Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, as described below. In accordance with M-20-17, these exceptions are time-limited and will be reassessed by OMB within 90 days of the issuance of its memo.

For the duration of this 90-day period, FEMA is implementing the exceptions in M-20-17 to all FEMA disaster and non-disaster grant programs as described below and in the attached chart. The exceptions described below apply to both grants and cooperative agreements even though only the term “grant” is used. Recipients and subrecipients should maintain a copy of this guidance with any other appropriate records and cost documentation in their grant files (as required by 2 C.F.R. §§ 200.302, 200.333, 200.403(g)). OMB’s exceptions do not provide relief to statutory requirements that apply to Federal financial assistance programs.

1. Flexibility with SAM registration. (2 C.F.R. § 200.205): SAM registrations expiring before May 16, 2020 will be afforded a one-time 60-day extension. In conjunction with this exception, GSA has initiated 60-day extensions to SAM.gov registrations that have expiration dates ranging between March 19, 2020 and May 17, 2020. It will take GSA until March 28, 2020 to complete all extensions. This effort is intended as relief for those otherwise required to renew their SAM registrations during that time frame. At the time of award, the requirements of 2 C.F.R. § 200.205 *Federal awarding agency review of risk posed by applicants* continue to apply. Applicants who are not already registered in SAM.gov will still need to register in SAM before the applicable grant application deadlines in order to apply for grant funding.

2. Flexibility with application deadlines. (2 C.F.R. § 200.202): FEMA may provide flexibility for applicants to submit competitive applications in response to specific announcements as well as unsolicited applications. Decisions to extend application deadlines will be made by the applicable program offices on a program-by-program basis and in accordance with applicable law and regulation.
3. Waiver for Notices of Funding Opportunity (NOFO) publication. (2 C.F.R. § 200.203): FEMA is not invoking this exception at this time. The exception permits Federal awarding agencies to publish competitive notices of funding opportunity (NOFOs) for less than 30 days without a separate justification. In the instance of any applicability, utilizing this exception would impose a greater burden on non-federal entities by providing less time to apply for a Federal financial assistance award.
4. No-cost extensions on expiring awards. (2 C.F.R. § 200.308): To the extent permitted by law, FEMA may extend the period of performance of awards that are active as of March 31, 2020 and scheduled to expire through December 31, 2020 at no-cost (i.e., no additional Federal funding) for a period of up to twelve (12) months. Recipients should request extensions pursuant to the conditions outlined in their award, and FEMA will provide flexibilities to approve those requests to the greatest extent possible. For awards where the period of performance extension request deadline has already passed, FEMA may waive the deadline and consider the request. For awards made with funding from one-year or multi-year appropriations, FEMA generally will not extend the period of performance beyond May 31st of the fifth (5th) and final year that funds are available for liquidation under the appropriation. Project-specific financial and performance reports will be due 90 days following the end date of the extension. Recipients must also liquidate all obligations within 90 days following the end date of the extension.
5. Abbreviated non-competitive continuation requests. (2 C.F.R. § 200.308): FEMA is not invoking this exception as it currently does not make continuation awards.
6. Allowability of salaries and other project activities. (2 C.F.R. §§ 200.403, 200.404, 200.405): FEMA will allow recipients and subrecipients to continue to charge salaries and benefits to currently active FEMA awards consistent with the recipients' and subrecipients' policy of paying salaries under unexpected or extraordinary circumstances from all funding sources, Federal and non-Federal. FEMA 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. FEMA may also evaluate the recipient's and/or subrecipient's ability to resume project activity in the future and the appropriateness of future funding, as is regularly done, based on subsequent progress reports and other communications with the recipient and/or subrecipient. Recipients and subrecipients are required to maintain appropriate records and cost documentation as required by 2 C.F.R. § 200.302 *Financial management* and 2 C.F.R. § 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 C.F.R. §§ 200.403, 200.404, 200.405): FEMA will allow recipients and subrecipients who incur cancellation costs related to event, travel, or other activities necessary and reasonable for the performance of the award, or costs associated with pausing and restarting grant-funded activities due to the public health emergency, to charge these costs to their awards. FEMA will allow recipients to charge the full cost of cancellation when the event, travel, or other activities are conducted under the auspices of the grant. In cases where cancellation charges or other costs result in insufficient funds to carry out the event, travel, or other activities, recipients and subrecipients should contact their applicable FEMA or pass-through entity points-of-contact to discuss possible alternatives as there may be no additional funding available. Recipients and subrecipients must maintain appropriate records and cost documentation, as required by 2 C.F.R. § 200.302 *Financial management* and 2 C.F.R. § 200.333 *Retention requirement of records*, to substantiate charging cancellation or other fees related to interruption of operations or services.
8. Prior approval requirement waivers. (2 C.F.R. § 200.407): Any prior approval requirements will be waived on a program-by-program basis by the specific grant program offices at their discretion.
9. Exemption of certain procurement requirements. (2 C.F.R. §§ 200.319(b), 200.321): FEMA is waiving the procurement requirements contained in 2 C.F.R. § 200.319(b) regarding geographical preferences and 2 C.F.R. § 200.321 regarding contracting small and minority businesses, women's business enterprises, and labor surplus area firms for non-State entities. When executing grant-funded procurements, recipients and subrecipients should also utilize, if applicable, guidance issued by FEMA on March 17, 2020, [Procurement Under Grants Conducted Under Exigent or Emergency Circumstances for COVID-19.](#)
10. Extension of financial, performance, and other reporting. (2 C.F.R. §§ 200.327, 200.328): For recipients unable to meet original due dates, FEMA will allow recipients to delay submission of pre-closeout financial, performance, and other reports (e.g., reports associated with enhanced monitoring) 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. FEMA is also waiving the requirement for recipients to notify the Agency of problems, delays, or adverse conditions related to COVID-19 (2 C.F.R. § 200.328(d)(1)). Recipients should nonetheless document such problems, delays, or adverse conditions related to COVID-19 in their internal grant files.
11. Extension of currently approved indirect cost rates. (2 C.F.R. § 200.414(c)): Where FEMA is the recipient's or subrecipient's cognizant agency for indirect costs, FEMA will allow the recipient or subrecipient to continue to use the currently approved indirect cost rates (i.e., predetermined, fixed, or provisional rates) to recover their indirect costs on FEMA awards. FEMA will approve recipient and subrecipient requests for an extension on the use of the current rates for one (1) additional year without submission of an indirect cost proposal. FEMA will also approve recipient and subrecipient 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 C.F.R. § 200.343): For recipients unable to meet original closeout due dates, FEMA will allow recipients to delay financial, performance, and other report submissions required by the terms of the award for closeout, provided that the recipients notify FEMA in writing of the closeout report submission delay before the original due dates. Closeout report submission delays may not exceed six (6) months after the award's period of performance ends. This class exception does not extend to the liquidation deadlines imposed by 2 C.F.R. § 200.343, but recipients may still request liquidation period extensions on a case-by-case basis.
13. Extension of Single Audit submission. (2 C.F.R. § 200.512): Where FEMA is the cognizant or oversight agency for audit, it will allow recipients and subrecipients that have not yet filed their Single Audits with the Federal Audit Clearinghouse as of March 17, 2020, and that have fiscal year-ends through June 30, 2020 to delay completing and submitting the Single Audit reporting package, as required under Subpart F of 2 C.F.R. § 200.501 *Audit Requirements*, to six (6) months beyond the normal due date. This extension does not require 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 C.F.R. § 200.520(a) *Criteria for a low-risk auditee*.

Attachments:

- 1) [*Administrative Relief for Recipients and Applicants of Federal Financial Assistance Directly Impacted by the Novel Coronavirus \(COVID-19\) due to Loss of Operations*](#)
- 2) Chart Describing Applicability of OMB Memo M-20-17 to FEMA Grant Programs