



Memorandum Authorizing Disaster Relief Flexibilities to Reduce the Burden for Financial Assistance Pursuant to OMB Memorandum M-21-20

Date: May 4, 2021

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

Subject: Disaster Relief Flexibilities to Reduce Burden for Financial Assistance

OMB memorandum M-21-20, Promoting Public Trust in the Federal Government through Effective Implementation of the American Rescue Plan Act and Stewardship of the Taxpayer Resources, issued on March 19, 2021, provides the Agency the authority to grant exceptions and provide administrative relief to recipients affected by the COVID-19 pandemic. These exceptions apply not only to recipients with COVID-19 related Federal financial assistance, awards, but also to recipients with assistance awards not related to COVID-19.

The OMB memorandum M-21-20 grants agencies the authority to provide temporary 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.

Pursuant to Memorandum M-21-20, USAID authorizes the exceptions below listed in Appendix 3. The exceptions that do not have an explicitly stated expiration date are aligned with the public health emergency period (PHEP) as a result of the continued consequences of the COVID-19 pandemic. The PHEP is designated by the Secretary of the Department of Health and Human Services (HHS) is reevaluated every 90 days.

1. Flexibility with SAM registration/recertification

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 § 200.206, *Federal awarding agency review of risk posed by applicants*, continue to apply. Current registrants in SAM with active registrations expiring between April 1, 2021 and September 30, 2021 will automatically be afforded a one-time extension of 180 days. (2 CFR § 25.110)

2. Waiver for Notice of Funding Opportunity (NOFO) Publication

For competitive grants and cooperative agreements, Agreement Officers (AOs) may publish emergency NOFOs for less than 30 days without separately justifying shortening the timeframe for each NOFO. AOs must document and track NOFOs published for less than 30 days under this emergency waiver. This exception is available through the PHEP. (2 CFR § 200.204)

3. Pre-award costs

AOs may allow necessary pre-award costs that are incurred:

- (i) from March 15, 2021 through the PHEP; and
- (ii) prior to the effective date of a Federal award. (2 CFR § 200.210, 2 CFR § 200.458)

4. No-cost extensions on expiring award

Awards which were active as of March 31, 2021, and scheduled to expire prior or up to December 31, 2021, may be extended at no additional cost (within the total program amount) for a period of up to 12 months at the request of the recipient or as determined by the AO. In such cases, the AO must formally amend the award to extend the period of performance. This will allow time for recipient assessments, the continuation of the program, 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. (2 CFR § 200.309)

5. Abbreviated non-competitive continuation requests

For continuation requests scheduled to come in from April 1, 2021 to December 31, 2021, from awards with planned future support, recipients must submit a brief statement to their cognizant AO and Agreement Officer's Representative (AOR) to verify that they are in a position to:

- (i) resume or restore their project activities and
- (ii) accept a planned continuation award.

USAID will post any specific instructions on our website at: <https://www.usaid.gov/work-usaid/resources-for-partners/covid-19-guidance-implementing-partners>. Recipients must also consult with the cognizant AO. USAID will examine the need to extend this approach on subsequent continuation award start dates as recipients have an opportunity to assess the situation. (2 CFR § 200.309)

6. Waivers from prior approval requirements

USAID waives the prior approval requirements as listed in 2 CFR 200.407 to allow recipients 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. This exception is available through the PHEP. (2 CFR § 200.407)

7. Exemption of certain procurement requirements

USAID waives the procurement requirements contained in 2 CFR § 200.319(c) regarding geographical preferences and 2 CFR § 200.321 regarding contracting small and minority businesses, women's business enterprises, and labor surplus area firms. Recipients must maintain appropriate records and documentation to support the charges against the Federal awards. This exception is available through the PHEP. (2 CFR § 200.319(c), 2 CFR § 200.321)

8. Extension of financial, performance, and other reporting

Recipients may delay submission of financial, performance and other reports up to three 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

extension period. In addition, USAID waives the requirement for recipients to notify the Agency of problems, delays, or adverse conditions related to COVID-19 on an award by award basis. This exception is available through the PHEP. (2 CFR § 200.328, 2 CFR § 200.329, 2 CFR § 200.329(e)(1))

9. Extension of Single Audit submission

When USAID is the cognizant or oversight agency for 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 OMB Memorandum M-21-20 (March 19, 2020) that have fiscal year-ends through June 30, 2021, to delay the completion and submission of the Single Audit reporting package, as required under Subpart F of 2 CFR §200.501 to six 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). (2 CFR § 200.501)

10. Flexibility with application deadlines

AOs may provide flexibility regarding the submission of competing applications in response to specific announcements, as well as unsolicited applications, presuming these exceptions do not negatively impact underserved communities. This exception is available through the PHEP. (2 CFR § 200.204)

11. Extension of closeout

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 the USAID. This delay in submitting closeout reports may not exceed one year after the award expires. This exception is available through the PHEP. (Guidance to Federal Agencies and Recipients) (2 CFR § 200.344)

12. Flexibility for the Management requirement related to Physical Inventories

USAID provides recipients up to a 12-month extension for the biennial physical inventory of equipment purchased under a Federal award. This exception is available through the PHEP. (2 CFR § 200.313 (d) (2))