

Attachment 2

DOE Implementation of OMB Memorandum M-20-26, entitled, “Extension of Administrative Relief for Recipients and Applicants of Federal Financial Assistance Directly Impacted by the Novel Coronavirus (COVID-19) due to Loss of Operations” dated June 16, 2020

The purpose of this guidance is to implement Office of Management and Budget (OMB) Memorandum M-20-26 which rescinds OMB Memorandums 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) and, M-20-20, *Repurposing Existing Federal Financial Assistance Programs and Awards to Support the Emergency Response to the Novel Coronavirus (COVID-19)* (April 9, 2020) and provides authorization for Agencies to extend two exceptions to the administrative, financial management and audit requirements under 2 CFR 200, Uniform Administrative Requirements, Cost principles and Audit Requirements for Federal Awards previously authorized by OMB in Memorandum M-20-17.

Please note that, pursuant to OMB guidance, **the Agency authorization and the exceptions to 2 CFR 200 provided for in the OMB Memorandums are intended to be time limited.** OMB reassessed the applicability of these Memorandums and provided authorization for an extension to two of the exceptions Agencies provided to recipients affected by the loss of operational capacity due to the COVID-19 pandemic.

Memorandum M-20-11, *Administrative Relief for Recipients and Applicants of Federal Financial Assistance Directly Impacted by the Novel Coronavirus (COVID-19)* (March 9, 2020), which provides exceptions to allow for flexibilities for research and services necessary to carry out the emergency response related to COVID-19, will expire on July 26, 2020. Memorandums M-20-17 and M-20-20 are rescinded and except where noted below, the exception authorizations provided within them expired on June 16, 2020.

The following two exceptions have been extended and are applicable to DOE awardees affected by the loss of operational capacity and increased costs due to the COVID-19 crisis. **All authorizations and exceptions provided in OMB Memorandum M-20-26 will expire on September 30, 2020.** DOE Contracting Officers, Grant Officers and recipients are reminded of the requirement to maintain appropriate records and documentation necessary to support any relief or charges to DOE awards.

- 1. Allowability of Salaries and Other Project Activities.** (2 CFR § 200.403, 2 CFR § 200.404, 2 CFR § 200.405)

Recipients are authorized to continue to charge salaries, stipends, and benefits to currently active DOE awards consistent with the recipients’ policy of paying salaries (under unexpected or

extraordinary circumstances) from all funding sources, Federal and non-Federal. The recipient is authorized to charge other costs to DOE awards that are necessary to resume activities supported by the award, consistent with applicable Federal cost principles and the benefit to the project. Recipients must not assume that supplemental funding will be available should the charging of such costs or other fees result in a shortage of funds to eventually carry out the project.

If a funding shortfall is anticipated, recipients must contact the cognizant DOE CO to address the situation. DOE will evaluate the recipient's ability to resume the project activity in the future and the appropriateness of future funding, as done under normal circumstances—based on subsequent project reports and other communications with the recipient. Due to the limited funding resources available under each DOE award to achieve its specific award goals, cognizant DOE COs must inform recipients to exhaust other available funding sources to sustain its workforce and implement necessary steps to save overall operational costs (such as rent renegotiations) during this pandemic period in order to preserve Federal funds for any ramp-up efforts necessary to resume activities supported by the award. Recipients are required to 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 and of their efforts to exhaust other funding sources and reduce overall operational costs.

Also see Attachment 1 for additional guidance.

2. Extension of Single Audit submission and COVID-19 Emergency Acts Fund Reporting. (2 CFR § 200.512, 2 CFR § 910.512)

Recipients and sub-recipients that have not yet filed their single audits with the Federal Audit Clearinghouse as of the date of the issuance of the OMB Memorandum that have fiscal year-ends through June 30, 2020, are authorized 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. Single Audits with normal due dates from July 1, 2020 through September 30, 2020 will have an extension up to three (3) months beyond the original due date. No formal approval for this extension is required; however, recipients and sub-recipients must maintain documentation of the reason for the delayed filing. Recipients and sub-recipients who currently qualify as a “low-risk auditee” under the criteria of 2 CFR § 200.520(a), and who take advantage of this extension will continue to qualify as a “low-risk auditee”, absent other reasons for a change in qualification.

For-profit entities that have not yet submitted their compliance audits to DOE as of the date of the issuance of the OMB Memorandum that have fiscal year-ends through June 30, 2020, are authorized to delay the completion and submission of their compliance audit reporting package, as required under Subpart F of 2 CFR § 910, to six (6) months beyond the normal due date. Compliance audits with normal due dates from July 1, 2020 through September 30, 2020 will have an extension up to three (3) months beyond the original due date. No formal approval for this extension is required; however, recipients and sub-recipients must maintain documentation of the reason for the delayed filing. Recipients and sub-recipients who currently qualify as a “low-risk auditee” under the criteria of 2 CFR § 910.520(a), and who

take advantage of this extension will continue to qualify as a “low-risk auditee”, absent other reasons for a change in qualification.

Additionally, in order to provide adequate oversight of the COVID-19 Emergency Acts funding and programs, recipients and sub-recipients must separately identify the COVID-19 Emergency Acts expenditures on the Schedules of Expenditures of Federal Awards and audit report findings.

Also see Attachment 1 for additional guidance.