

Subject: Appendix 3 -Disaster Relief Flexibilities to Reduce Burden for Financial Assistance
(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)

To our Grantee and Stakeholder Community

On March 19, 2021, the Office of Management and Budget (OMB) issued administrative relief guidance for recipients and applicants of federal financial assistance, as federal awarding agencies continue to address emerging Coronavirus (COVID-19) response activities and needs. OMB Memorandum [M-21-20](#) contains 12 financial assistance, administrative flexibilities under Appendix 3 – “Disaster Relief Flexibilities to Reduce Burden for Financial Assistance”. These flexibilities apply to recipients with COVID-19 related Federal financial assistance awards, as well as recipients affected by COVID-19. Appendix 3 is inserted below for reference.

These flexibilities allow HHS awarding agencies the authority to grant the identified flexibilities to recipients as we deem appropriate and to the extent permitted by law. HHS awarding agencies must specifically consider flexibilities that can advance racial equity and support for underserved communities. Further, HHS awarding agencies are required to maintain records of exceptions provided to recipients.

To implement these flexibilities, we are disseminating information widely by email and GrantSolutions to current grantees as well as through CB’s list serves and website in an effort to reach all stakeholders. If you wish to exercise any of these flexibilities, please send details of your request to childrensbureauCOVIDflexibilities@acf.hhs.gov and to your Project Officer and Grants Management Specialist.

Over a year into the pandemic, we recognize the innovations that have been implemented to overcome challenges to providing uninterrupted services to our communities. We are committed to providing all recipients of HHS federal financial assistance with the administrative relief necessary to complete grant related activities. I wish you continued success in your work with children and families.

Aysha E. Schomburg, Esq.

Associate Commissioner
Children’s Bureau

Appendix 3 to M-21-20 Disaster Relief Flexibilities to Reduce Burden for Financial Assistance

NOTE: HHS awarding agencies are still required to cite regulations located in 45 CFR 75 until HHS officially adopts 2 CFR 200 with limited exceptions. Each flexibility listed below has the 45 CFR 75 citation included and these should be referenced until further notice.

I. Flexibility with SAM registration/recertification: Awarding agencies may relax the timing of the requirement for active SAM registration at time of application in order to expeditiously issue funding. At the time of award, the requirements of 2 CFR § 200.206 (45 CFR 75.205), 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)

II. Waiver for NOFO Publication: Awarding agencies may publish emergency and competitive NOFOs for grants and cooperative agreements for less than 30 days without separately justifying shortening the timeframe for each NOFO. Awarding agencies are still required to document and track NOFOs published for less than 30 days under this emergency waiver.

45 CFR 75: 45 CFR § 75.203

2 CFR 200: 2 CFR § 200.204

III. Pre-award costs: Awarding agencies may allow necessary pre-award costs that are incurred: (i) from March 15, 2021 through the Public Health Emergency Period; and (ii) prior to the effective date of a Federal award.

45 CFR 75: 45 CFR § 75.209, 45 CFR § 75.458

2 CFR 200: 2 CFR § 200.210, 2 CFR § 200.458

IV. No-cost extensions on expiring awards: To the extent permitted by law, awarding agencies may extend awards that were active as of March 31, 2021 and scheduled to expire prior or up to December 31, 2021, automatically at no cost for a period of up to 12 months. This will allow time for recipient assessments, the resumption of many individual projects, and a report on program progress and financial status to agency staff. Project-specific financial and performance reports will be due 90 days following the end date of the extension. Awarding agencies will examine the need to extend other project reporting as the need arises.

45 CFR 75: 45 CFR § 75.309

2 CFR 200: 2 CFR § 200.309

V. Abbreviated non-competitive continuation requests: For non-competitive continuation requests scheduled between April 1, 2021 and December 31, 2021, awarding agencies may accept a brief statement from recipients to verify that they are in a position to: (i) resume or restore their project activities and (ii) accept a planned continuation award. Agencies must post any specific instructions on their website. Agencies must examine the need to extend this approach on subsequent continuation award start dates as recipients have an opportunity to assess the situation.

45 CFR 75: 45 CFR § 75.309

2 CFR 200: 2 CFR § 200.309

VI. Waivers from prior approval requirements: Awarding agencies are authorized to waive prior approval requirements as necessary 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.

45 CFR 75: 45 CFR § 75.407

2 CFR 200: 2 CFR § 200.407

VII. Exemption of certain procurement requirements: Awarding agencies may waive 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. Awarding agencies must require recipients to maintain appropriate records and documentation to support the charges against the Federal awards.

45 CFR 75: 45 CFR § 75.328(a), 45 CFR § 75.330

2 CFR 200: 2 CFR § 200.319(b), 2 CFR § 200.321

VIII. Extension of financial and other reporting: Awarding agencies may allow recipients to delay submission of financial, performance and other reports up to three months beyond the normal due date. If an agency allows such a delay, recipients may continue to draw down Federal funds without the timely submission of these reports. These reports, however, must be submitted at the end of the extension period. In addition, awarding agencies may waive the requirement for recipients to notify the agency of problems, delays, or adverse conditions related to COVID-19 on an award by award basis.

45 CFR 75: 45 CFR § 75.328, 45 CFR § 75.342, 45 CFR § 75.342(d)(1)

2 CFR 200: 2 CFR § 200.328, 2 CFR § 200.329, 2 CFR § 200.329(e)(1)

IX. Extension of Single Audit submission: Awarding agencies, in their capacity as cognizant or oversight agencies for audit, should allow 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, 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 awarding agencies is required to enact this extension. This extension does not require individual 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 CFR § 200.520(a) (45 CFR § 75.520(a)).

45 CFR 75: 45 CFR § 75.501

2 CFR 200: 2 CFR § 200.501

X. Flexibility with application deadlines: Awarding agencies may provide flexibility with regard to the submission of competing applications in response to specific announcements, as well as unsolicited applications, presuming these exceptions do not negatively impact underserved communities. As appropriate, agencies should list specific guidance on their websites and provide a point of contact for an agency program official.

45 CFR 75: 45 CFR § 75.204

2 CFR 200: 2 CFR § 200.204

XI. Extension of closeout: Awarding agencies may allow the grantee 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. Upon receipt of all final reports, awarding agencies have six months to close out the award. (Guidance to Federal Agencies and Recipients)

45 CFR 75: 45 CFR § 75.381

2 CFR 200: 2 CFR § 200.344

XII. Flexibility for the Management requirement related to Physical Inventories: Awarding agencies may provide grantees up to a 12-month extension for the biennial physical inventory of

equipment purchased under a Federal award.

45 CFR 75: 45 CFR § 75.320 (d) (2)

2 CFR 200: 2 CFR § 200.313 (d) (2)