EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

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MEMORANDUM FOR THE CHIEF FINANCIAL OFFICERS AND GRANT POLICY OFFICIALS

FROM: Mark Reger
Deputy Controller
Office of Federal Financial Management

SUBJECT: Administrative Relief for Grantees Impacted by Hurricanes Harvey, Irma and Maria

In light of the effects of Hurricanes Harvey, Irma, and Maria on the performance of grantees located in the affected areas, the Office of Management and Budget (OMB) has worked with the Federal agencies to coordinate activities that will assist grantees, where possible, in resuming the operations of the grantee organizations, particularly in the performance of Federal program objectives. Some of the most important actions needed to address the resumption of grant activities are being handled by the Federal awarding agencies on a project-by-project basis. Therefore, agency program officials, or an agency single point of contact, should post information prominently on their website, so that grantees may contact them for hurricane disaster-related questions.

Working together with the Federal agencies, we have identified the following agency actions to relieve short-term administrative, financial management and audit requirements under the Uniform Guidance at 2 C.F.R. Part 200 – "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" – without compromise to the grantee accountability requirements. These steps are being implemented consistently, as appropriate, across all of the Federal agencies, for grantees located in a county or a parish where a major disaster has been declared under the Stafford Act as a result of Hurricanes Harvey, Irma and Maria.

Federal agencies are free to take the following actions, as they deem appropriate and to the extent permitted by law, with respect to the administrative provisions that apply to grantees in the affected disaster areas:

1. Flexibility with application deadlines.

Agencies may provide flexibility with regard to the submission of competing applications in response to specific announcements, as well as unsolicited applications. As appropriate, agencies should list specific guidance on their websites and/or provide a point of contact for an agency program official.

2. No-cost extensions on expiring awards.
To the extent permitted by law, agencies may extend awards which were active as of August 31, 2017 and scheduled to expire prior or up to December 31, 2017, automatically at no-cost for a period of up to twelve (12) months. This will allow time for grantee 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. Agencies will examine the need to extend other project reporting as the need arises.

3. Abbreviated continuation requests.
For continuation requests scheduled to come in from August 31 to December 31, 2017, from projects with planned future support, agencies may accept a brief statement from grantee organizations to verify that they are in a position to: 1) resume or restore their project activities; and 2) accept a planned continuation award. Agencies should post any specific instructions on their website. Agencies will examine the need to extend this approach on subsequent continuation award start dates as grantee organizations have an opportunity to assess the situation.

4. Expenditure of award funds for salaries and other project activities.
Agencies may allow grantees to continue to charge salaries and benefits to currently active Federal awards consistent with the grantee organization's policy of paying salaries (under unexpected or extraordinary circumstances) from all funding sources, Federal and non-Federal. Agencies may allow other costs to be charged to Federal awards, including those necessary to resume activities supported by the award, consistent with applicable Federal cost principles and the benefit to the project. Federal agencies may also evaluate the grantee's ability to resume the project activity in the future and the appropriateness of future funding, as done under normal circumstances—based on subsequent progress reports and other communications with the grantee.

5. Prior approval requirement waivers.
Requirements for agency prior approval for the re-budgeting of funds within the scope of the project may be waived, and automatic carryover of unspent balances may be granted for currently active awards awarded prior to September 30, 2017. As in item 4 above, all costs charged to Federal awards must be consistent with Federal cost policy guidelines and the terms of the award. Final charges must also reflect offsets of all recoveries from other parties (e.g., insurance, FEMA). Agency specific links provide policies for costs associated with alteration, renovations and construction.

6. Exemption of certain procurement requirements.
In order to expedite the procurement process for needed support during the emergency period, agencies may waive the procurement requirements contained in 2 C.F.R. § 200.319(b) regarding geographical preferences and 2 C.F.R. § 200.321 regarding contracting with small and minority businesses, women's business enterprises, and labor surplus area firms. The exemption is for a period of 120 days following the first day of the incident period under a major disaster.

7. Extension of financial and other reporting.
Agencies may allow grantees to delay submission of Federal cash transaction reports on currently active award accounts up to three (3) months beyond the normal due date. If an agency allows such a delay, grantees will 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. Agencies may authorize extensions, as necessary, on other grantee financial and administrative reports, such as the property and invention reports.

8. Extension of currently approved indirect cost rates.
Agencies may allow 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. Agencies may approve grantee requests for an extension on the use of the current rates for one additional year without submission of an indirect cost proposal. Agencies may also approve grantee requests for an extension of the indirect cost rate proposal submission to finalize the current rates and establish future rates.

9. Extension of closeout.
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.

10. Alternatives for record retention and cost documentation.
Agencies should allow grantees to substitute copies of original records for the original records, as permitted under 2 CFR § 200.335 – Methods for collection, transmission and storage of information. In helping grantees to reconstruct the supporting project documentation, agencies should provide copies of all needed records that are maintained by the agencies, such as indirect cost proposals, cost allocation plans, and past financial status reports.

11. Extension of Single Audit submission.
Agencies should allow grantees to delay the completion and submission of the Single Audit report, as required under Subpart F of 2 C.F.R. Part 200 – Audit Requirements, to twelve (12) months beyond the normal due date. The delayed completion and submission would still qualify the grantee as a "low-risk auditee" under the criteria of 2 C.F.R. § 200.520 (a) – Criteria for a low-risk auditee.

Questions regarding the above administrative relief provisions should be directed to Mr. Gilbert Tran, Office of Federal Financial Management, at (202) 395-3052.