

Cleared: June 29, 2020

## **USDA National Institute of Food and Agriculture**

### **U.S. Department of Agriculture (USDA) National Institute of Food and Agriculture (NIFA) Implementation of OMB Memorandum M-20-26**

#### **LEGISLATION, REGULATION OR OMB REFERENCE:**

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 18, 2020

**APPLICABILITY:** All NIFA Staff, Applicants and Recipients

**BACKGROUND AND PURPOSE:** Consistent with federal government agencies across the United States in the face of the new and unique challenges in confronting the COVID-19 epidemic, USDA NIFA continues to prioritize the health and safety of the research community. USDA NIFA understands the effects of this challenge on USDA NIFA-funded research and facilities, and we are committed to providing the greatest flexibilities to support the health and safety of applicants, grantees and employees and help support the community as the country begins to reopen. USDA NIFA continues to update guidance and our online resources, including frequently asked questions, to keep staff and partners informed. The latest information is available on our website at: <https://nifa.usda.gov/coronavirus>

The purpose of this guidance is to implement updated guidance authorized by Office of Management and Budget (OMB) Memorandum M-20-26<sup>1</sup> for recipients affected by COVID-19. This guidance extends two of the short-term administrative relief from specific requirements contained in 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, without compromising accountability requirements. These extensions, that go beyond what OMB previously outlined in Memorandum M-20-17, specifically pertain to the allowability of salaries and other project activities and single audit submission. In order to support charges against NIFA awards, recipients are reminded of their responsibility to maintain appropriate records and documentation to support the charges in accordance with institutional policies and procedures.

The extended flexibilities authorized by OMB in M-20-26 are outlined in this document.

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<sup>1</sup> [OMB 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 [OMB 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), expired on June 16, 2020 and were rescinded on June 18, 2020. Any requests for use of flexibilities specified in OMB Memoranda M-20-17 or M-20-20 that were submitted on or before June 16, 2020 are actionable by NIFA if included in NIFA’s implementation.

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## **POLICY AND PROCEDURES:**

### **1. Allowability of salaries and other project activities.** (2 CFR § 200.403, 2 CFR § 200.404, 2 CFR § 200.405) – *formerly item 6 in M-20-17*

Recipients are authorized to continue to charge salaries, stipends, and benefits to currently active USDA NIFA awards consistent with the recipients' policy of paying salaries (under unexpected or extraordinary circumstances) from all funding sources, Federal and non-Federal. In general, recipients should utilize the salaries, stipends, and benefits rates and staffing levels in place on March 1, 2020 when President Trump proclaimed that the COVID-19 outbreak in the United States constituted a national emergency.

USDA continues to authorize recipients to charge other costs to USDA NIFA 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 original goals of the project.

If a recipient faces challenges to meet the program objectives of the award, they should contact the National Program Leader in the final year of the award and evaluate how to proceed with the work.

To discuss any concerns related to salaries, stipends, and benefits rates and staffing levels, anticipated shortfalls or other administrative options, which may include no-cost extensions and change in scope, please contact NIFA at [awards@usda.gov](mailto:awards@usda.gov) to consult with a grants specialist about the organization's specific circumstances.

NIFA may also 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 annual project reports and other communications with the recipient. Under this flexibility, payroll costs paid with the Paycheck Protection Program (PPP) loans or any other Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act programs must not be also charged to current NIFA awards as it would result in the Federal government paying for the same expenditures twice. Recipients are reminded of their responsibility 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. Due to the limited funding resources under each NIFA award necessary to achieve its specific project, as specified in M-20-26, recipients must 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 the ramp-up effort. Recipients must retain documentation of their efforts to exhaust other funding sources and reduce overall operational costs.

This flexibility is time limited and will **expire on September 30, 2020**.

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**2. Extension of Single Audit submission.** (2 CFR § 200.512) – *formerly item 13 in M-20-17*

Recipients and subrecipients that had not yet filed their single audits with the Federal Audit Clearinghouse as of March 19, 2020 that have normal due dates from March 30, 2020 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*, up to six (6) months beyond the normal due date. Audits with normal due dates from July 31, 2020 through September 30, 2020 will have an extension up to three (3) months beyond the normal due date. No further action by NIFA 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 must maintain documentation of the reason for the delayed filing. Recipients and subrecipients 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.

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

This flexibility is time limited and will **expire on December 31, 2020**.

Recipients should contact their cognizant agency for audit with any questions related to single audit. For USDA NIFA single audit questions, please email [policy@usda.gov](mailto:policy@usda.gov).