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By Theresa Defino

OMB Grants Agencies 'Flexibility' During Coronavirus Outbreak

In light of the COVID-19 virus, the Office of Management and Budget has given federal agencies authority to offer certain “administrative relief” to some awardees and applicants, including automatic no-cost extensions and approval of pre-award costs, OMB announced in a March 9 memorandum. Such actions, applicable only during the 90-day public health emergency (declared Jan. 20 but which may be extended), are designed to “relieve short term administrative, financial management and audit requirements under [2 C.F.R. § 200], *Uniform Administrative Requirements, Cost principles and Audit Requirements for Federal Awards*, without compromising Federal financial assistance accountability requirements,” OMB said. Federal agencies may “grant class exceptions in instances where the agency has determined that the purpose of the Federal awards is to support the continued research and services necessary to carry out the emergency response related to COVID-19. Further, agencies are reminded of their existing flexibility to issue exceptions on a case-by-case basis in accordance with 2 C.F.R. § 200.102 ,” it said.

For applicable awards, agencies may allow necessary pre-award costs that are incurred from Jan. 20 until the effective date of an award; grant a 12-month, no-cost extension to any award “active as of March 31, 2020 and scheduled to expire prior or up to December 31, 2020”; grant an extra three months for submission of financial and other reports; and allow an extra 12 months to complete and submit a single audit, OMB said. Additionally, agencies “may allow recipients to continue to charge salaries and benefits to currently active Federal awards consistent with the recipient organization’s policy of paying salaries (under unexpected or extraordinary circumstances) from all funding sources,” both federal and non-federal. Help may also be available more generally, OMB said. “The Administration will evaluate if these flexibilities should be extended to recipients whose operations have been adversely impacted in the emergency response related to COVID-19 at a later date,” according to the memo.

[Link to memo](#)

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