



State Councils on Developmental Disabilities Grant Flexibilities under COVID-19

Introductory Note:

On March 20, 2020, the Office of Management and Budget (OMB) issued guidance 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. The guidance provides Federal agencies with flexibility in a number of areas related to financial management of grant awards. On April 8, 2020, the Administration on Community Living (ACL) followed up informing grantees how ACL is applying the OMB guidance.

The information presented below is specific guidance to the State Councils on Developmental Disabilities (DDCs) on the application of the OMB guidance and ACL's Office of Grants Management.

Grant Flexibilities

No-cost extensions on expiring awards (2 CFR § 200.308)

To the extent permitted by law, ACL is allowed to extend awards (both discretionary and mandatory) which were active as of March 31, 2020 and scheduled to expire prior or up to December 31, 2020, automatically at no-cost for a period of up to twelve (12) months. Starting with the fiscal year (FY) 2019 award, DDCs were expected to comply with the two-year obligation requirement. However, with the COVID-19 pandemic, ACL understands that DDCs will need flexibility to fully obligate funds and that an additional year to obligate funds will assist in ensuring the appropriate and timely expenditure of federal funds. Therefore, the following is allowable:

For the FY 18 awards:

- No cost extension on expiring awards (2 CFR § 200.308). The revised grant obligation and liquidation periods are as follows:
 - Obligation of funds by 9/30/2021
 - Liquidation of funds by 9/30/2022
- Financial Reports extended from 12/30/2020 to 12/31/2022
- Costs of salaries and other project activities (2 CFR § 200.403, 2 CFR § 200.404, 2 CFR § 200.405) not normally chargeable to awards (2 CFR § 200.403, 2 CFR § 200.404, 2 CFR § 200.405).
- Councils can request a liquidation waiver to liquidate funds past the liquidation period of 9/30/2022 for ACL's review and approval.

For the FY 19 awards:

- No cost extension on expiring awards (2 CFR § 200.308). The revised grant obligation and liquidation periods are as follows:
 - Obligation of funds by 9/30/2022
 - Liquidation of funds by 9/30/2023
- Financial Reports extended from 12/30/2021 to 12/31/2023
- Costs of salaries and other project activities (2 CFR § 200.403, 2 CFR § 200.404, 2 CFR § 200.405) not normally chargeable to awards (2 CFR § 200.403, 2 CFR § 200.404, 2 CFR § 200.405).
- Councils can request a liquidation waiver to liquidate funds past the liquidation period of 9/30/2023 for ACL's review and approval.

For the FY 20 awards:

- No cost extension on expiring awards (2 CFR § 200.308). The revised grant obligation and liquidation periods are as follows:
 - Obligation of funds by 9/30/2023
 - Liquidation of funds by 9/30/2024
- Financial Reports extended from 12/30/2022 to 12/31/2024
- Costs of salaries and other project activities (2 CFR § 200.403, 2 CFR § 200.404, 2 CFR § 200.405) not normally chargeable to awards (2 CFR § 200.403, 2 CFR § 200.404, 2 CFR § 200.405).
- Councils can request a liquidation waiver to liquidate funds past the liquidation period of 9/30/2024, for ACL's review and approval.

To submit a liquidation waiver request, Councils will follow AIDD-PI-19-01, which outlines the eligibility requirements for ACL's consideration of a liquidation waiver. Waivers can be requested under one of the circumstances below:

- State law is impeding the liquidation of funds; or
- The amount of funds to be liquidated is in dispute; or
- A Presidential declared disaster prevents the grantee from meeting liquidation deadline, as approved by the Secretary of the U.S. Department of Health & Human Services or his/her designee.

The following requirements apply for submitting a request:

- Liquidation waivers will only be considered for grant awards in the final liquidation FFY.
- Liquidation waivers will be for liquidation purposes only, and not for purposes of obligating funds.
- All SF-270 and SF-425 financial reports must be current and submitted in the required format.

- All State Plans/Statement of Goals and Priorities (SGP), amendments, and programmatic reports due before the liquidation waiver request deadline must be submitted in the required reporting format.
- If the SF-270s, SF-425s, State Plans/SGPs, amendments, and programmatic reports are not current, the liquidation waiver cannot be processed. Not having current programmatic and financial reports turned into ACL is grounds for denial.

Individual extensions beyond the flexibilities described above will be made on a case-by-case basis. Project-specific financial and performance reports will be due 90 days following the end date of the extension. ACL will examine the need to extend other project reporting as the need arises. For assistance, please contact your project officer.

For the FY 21 awards:

It is expected that DDCs will use the two years to obligate funds starting with the FY21 award.

Grant Flexibilities Guidance

Allowability of salaries and other project activities (2 CFR § 200.403, 2 CFR § 200.404, 2 CFR § 200.405)

ACL will allow grantees to continue to charge salaries and benefits to currently active Federal awards consistent with the recipients' policy of paying salaries (under unexpected or extraordinary circumstances) from all funding sources, Federal and non-Federal.

Grantees should inform ACL if they are no longer able to perform duties of their award. ACL will evaluate grantee's ability to resume the project activity in the future and the appropriateness of future funding, as we would under normal circumstances based on subsequent progress reports and other communications with the grantee. As always, grantees must 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.

Allowability of Costs not Normally Chargeable to Awards (2 CFR § 200.403, 2 CFR § 200.404, 2 CFR § 200.405)

ACL will allow grantees to incur costs related to the cancellation of events, travel, or other activities necessary and reasonable for the performance of the award, or the pausing and restarting of grant funded activities due to the public health emergency, to charge these costs to their award without regard to 2 CFR § 200.403, *Factors affecting allowability of costs*, 2 CFR § 200.404, *Reasonable costs*, and 2 CFR § 200.405, *Allocable costs*.

Furthermore, ACL will allow recipients to charge full cost of cancellation when the event, travel, or other activities are conducted under the auspices of the grant. Grantees should not assume additional funds will be available should the charging of cancellation or other fees result in a shortage of funds to eventually carry out the event or travel.

Grantees must 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 cancellation or other fees related to interruption of operations or services.

Extension of Single Audit submission (2 CFR § 200.512)

ACL will allow grantees 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, 2020, 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. No further action by awarding agencies is required to enact this extension. Grantees do not need to seek approval for the extension by the cognizant or oversight agency for audit; however, they should maintain documentation of the reason for the delayed filing. Grantees taking advantage of this extension would still qualify as a "low-risk auditee" under the criteria of 2 CFR § 200.520 (a)-*Criteria for a low-risk auditee*.