



ADMINISTRATION FOR  
**CHILDREN & FAMILIES**

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DATE: March 30, 2020

FROM: Ben Goldhaber<sup>BG</sup>  
Deputy Assistant Secretary for Administration  
and Chief Grants Management Officer  
Administration for Children and Families

TO: Administration for Children and Families (ACF) Grantees and Recipients

SUBJECT: **Information Memorandum: IM-ACF-OA-2020-01:**  
ACF grant flexibilities in conducting human service activities related to or  
affected by COVID-19

The Administration for Children and Families (ACF) is deeply concerned for the health and safety of people involved in ACF programs and about the effects on the human service enterprise in the areas affected by the U.S. Department of Health and Human Services ([HHS-declared public health emergency for COVID-19](#)). Due to the exceptional impact of the public health emergency declared on January 31, 2020 (retroactive to January 27, 2020), I want to assure ACF's grantee and recipient (grantee/recipient) community that ACF will be doing its part to help you continue your work.

To the extent permitted by law, and in accordance with 45 CFR §75.102(a), this memorandum provides short-term relief for administrative, financial management, and audit requirements under [45 CFR Part 75](#) (the HHS implementation of [2 CFR Part 200](#)), Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, without compromising Federal financial assistance accountability requirements. These exceptions are time-limited and will be reassessed by the Office of Management and Budget (OMB) within 90 days of the M-20-17 memo, dated March 19, 2020. If OMB extends the flexibilities contained in their M-20-17 memo, HHS and ACF will also re-evaluate the extension of the exceptions. These flexibilities are applicable to ACF applicants and grantees/recipients where the entity is conducting human service activities related to or affected by COVID-19. Affected entities are those that have been closed or that have business activities that are hindered due to COVID-19 precautionary measures and/or illnesses. *Entities that are affected will be asked to provide documentation to the respective ACF Program Office describing the effects, including how long their program and ACF-related work or instruction were and/or will be affected.* While the following requirements detail general flexibilities that ACF is offering during this public health emergency, please review program-specific COVID-19 guidance and flexibilities as some citations listed below do not apply directly. For example, as it relates to block grants, States may apply these flexibilities to block grants consistent with their own authorities.

**1. Flexibility with System for Award Management (SAM) registration.** ([45 CFR §75.205](#); [2 CFR §200.205](#))

ACF is relaxing the requirement for active SAM registration at the time of application in order to expeditiously issue funding. However, Federal awarding agency review of risk posed by applicants at the time of award continues to apply. Current registrants in SAM with active registrations expiring before May 16, 2020, will be afforded a one-time extension of 60 days.

**2. Flexibility with application deadlines.** ([45 CFR §75.202](#); [2 CFR § 200.202](#))

ACF is providing flexibility with regard to the submission of competing applications in response to specific announcements. As appropriate, ACF will post specific guidance on its websites and/or provide a point of contact for an Agency program official.

**3. No-cost extensions on expiring awards.** ([45 CFR §75.308](#); [2 CFR §200.308](#))

To the extent permitted by law and at the respective Program Office's discretion, ACF will consider no-cost extension requests for awards active as of March 31, 2020, and scheduled to expire up to December 31, 2020, for a period of up to twelve (12) months. This will allow time for grantee/recipient assessments, resumption of individual projects, and a report on program progress and financial status to ACF staff. See Item #9 regarding financial, performance, and other reporting.

**4. Abbreviated non-competitive continuation requests.** ([45 CFR §75.308](#); [2 CFR §200.308](#))

For continuation requests scheduled to come in from April 1, 2020, to December 31, 2020, from projects with planned future support, ACF will accept a brief statement from grantees/recipients to verify that they are in a position to: 1) resume or restore their project activities; and 2) accept a planned continuation award. ACF will post any specific instructions on our website at <https://www.acf.hhs.gov/coronavirus>. ACF will examine the need to extend this approach on subsequent continuation award start dates as grantees/recipients have an opportunity to assess their situations.

**5. Allowability of salaries and other project activities.** ([45 CFR §75.403](#), [45 CFR §75.404](#), [45 CFR §75.405](#), [45 CFR §75.430](#), [45 CFR §75.431](#), [45 CFR Part 75 Subpart E – Cost Principles](#); [2 CFR §200.403](#), [2 CFR §200.404](#), [2 CFR § 200.405](#), [2 CFR §200.430](#), [2 CFR §200.431](#), [2 CFR Part 200 Subpart E – Cost Principles](#))

To the extent permitted by law, ACF will allow grantees/recipients to continue to charge salaries and benefits to their currently active awards consistent with the grantees/recipients' policy of paying salaries (under unexpected or extraordinary circumstances) from all funding sources, Federal and non-Federal. Grantees/recipients will be permitted to amend/create emergency policies in order to put emergency contingencies in place. ACF will allow other allowable costs (e.g., program-related, allocable, reasonable) that are necessary to resume activities supported by the award to be charged to their awards, consistent with applicable Federal cost principles and the benefit to the project. ACF will evaluate the grantee's/recipients 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/recipient. ACF will require grantees/recipients to maintain appropriate records and cost documentation as required by [45 CFR §75.302 \(2 CFR §200.302\)](#) (financial management) and [45 CFR §75.361 \(2 CFR §200.333\)](#) (record retention), to substantiate the charging of any salaries and other project activities costs related to interruption of operations or services.

**6. Allowability of Costs not Normally Chargeable to Awards.** ([45 CFR §75.403](#), [45 CFR §75.404](#), [45 CFR §75.405](#), [45 CFR Part 75 Subpart E – Cost Principles](#); [2 CFR §200.403](#), [2 CFR §200.404](#), [2 CFR § 200.405](#), [2 CFR Part 200 Subpart E – Cost Principles](#))

To the extent permitted by law, ACF will allow grantees/recipients who incur costs related to the cancellation of events, travel, and/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 allowability of costs, reasonable costs, and allocable costs. ACF will allow grantees/recipients to charge the full cost of cancellation when the event, travel, and/or other activities are conducted under the auspices of the grant. **Grantees/recipients 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, travel, and/or other activities.** ACF will require grantees/recipients to maintain appropriate records and cost documentation as required by [45 CFR §75.302 \(2 CFR §200.302\)](#) (financial management) and [45 CFR §75.361 \(2 CFR §200.333\)](#) (record retention), to substantiate the charging of any cancellation or other fees related to interruption of operations or services **due to the public health emergency**. As appropriate, ACF will post additional guidance on specific types of costs on its websites and/or provide a point of contact for an Agency program official.

**7. Prior approval requirement waivers.** ([45 CFR §75.407](#); [2 CFR §200.407](#))

To the extent permitted by law and at the respective Program Office's discretion, ACF will waive existing requirements to seek prior approval for allowable costs within program-specific authorities to effectively address the public health emergency response. However, grantees/recipients may continue to seek prior approval to avoid any potential disallowance or dispute based on unreasonableness or allocability for the allowable cost proposed or charged to the Federal award related to COVID-19. Grantees/recipients should remain in communication with Office of Grants Management (OGM) and must continue to act within existing guidelines for use of Federal funds. This temporary flexibility does not make unallowable expenses allowable under a Federal award. ***For those selected items of cost that are not directly related to COVID-19, the prior approval requirements remain in effect.*** 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. ACF is requiring grantees/recipients to maintain appropriate records and cost documentation as required by [45 CFR §75.302 \(2 CFR §200.302\)](#) (financial management) and [45 CFR §75.361 \(2 CFR §200.333\)](#) (record retention), to substantiate the charging of any cancellation or other fees related to interruption of operations or services. As appropriate, ACF will post additional guidance on specific types of costs being

allowed (or not allowed) on its websites and/or will provide a point of contact for an ACF program official.

**8. Exemption of certain procurement requirements.** ([45 CFR §75.328](#), [45 CFR §75.330](#); [2 CFR §200.319\(b\)](#), [2 CFR §200.321](#))

As appropriate, ACF will waive the procurement requirements related to geographical preferences and contracting with small and minority businesses, women's business enterprises, and labor surplus area firms.

**9. Extension of financial, performance, and other reporting.** ([45 CFR §75.341](#), [45 CFR §75.342](#), [45 CFR §75.343](#); [2 CFR §200.327](#), [2 CFR §200.328](#), [2 CFR §200.329](#))

ACF will allow grantees/recipients to delay submission of financial, performance, and other reports up to three (3) months beyond the normal due date. Grantees will be allowed to continue to draw down Federal funds without the expected submission of these reports. However, these reports must be submitted at the end of the postponed period. Grantees/recipients must continue to notify the agency of problems, delays or adverse conditions, including those related to COVID-19 as required by [45 CFR §75.342\(d\)\(1\)](#) and [2 CFR §200.328\(d\)\(1\)](#).

**10. Extension of currently approved indirect cost rates.** ([45 CFR §75.414.\(c\)](#); [2 CFR §200.414\(c\)](#))

The flexibility to extend currently approved indirect cost rates is the responsibility of the [HHS Payment Support Center, Cost Allocation Services \(PSC/CAS\)](#). Grantees/recipients are instructed to contact PSC/CAS at [PMSSupport@psc.hhs.gov](mailto:PMSSupport@psc.hhs.gov) or 877-614-5533 with any cost allocation and indirect cost rate questions. As a courtesy, grantees/recipients are encouraged to copy their respective assigned OGM specialist.

**11. Extension of closeout.** ([45 CFR §75.381](#); [2 CFR §200.343](#))

ACF will allow the grantee/recipient 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/recipient to the Agency. This delay in submitting closeout reports may not exceed one year after the award expires.

**12. Extension of Single Audit submission.** ([45 CFR §75.512](#); [2 CFR §200.512](#))

As permitted under the OMB M-20-17 memo, ACF will allow grantees/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 and 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 [45 CFR §75.501](#) ([2 CFR §200.501](#)) (audit requirements), to six (6) months beyond the normal due date. This extension does not require individual grantees/recipients and subrecipients to seek approval for the extension by ACF or oversight agency for audit; however,

grantees/recipients and subrecipients should maintain documentation of the reason for the delayed filing. Grantees/recipients and subrecipients taking advantage of this extension would still qualify as a "low-risk auditee" under the criteria of [45 CFR §75.520\(a\)](#) ([2 CFR §200.520\(a\)](#)) (low-risk auditee criteria).

### **Next Steps**

ACF is continuing to monitor the situation, to identify ways the Agency can help, and to publish any additional information pertaining to the public health emergency declaration at ACF's webpage, [Stay Safe and Be Informed about COVID-19](#). Please also see program-specific guidance for more information related to a Federal award.

### **Inquiries**

Please direct all inquiries to your assigned Grants Management Specialist and Project Officer.