

ALLOW EXEMPTIONS FOR DOD FINANCIAL ASSISTANCE RECIPIENTS AFFECTED BY THE LOSS OF OPERATIONAL CAPACITY AND INCREASED COSTS DUE TO THE COVID-19 CRISIS.

Consistent with OMB Memorandum M-20-17, for a 90-day period starting March 19, 2020 or until extended or rescinded by OMB. Except where noted below, the following flexibilities are applicable to DoD recipients affected by the loss of operational capacity and increased costs due to the COVID-19 crisis. DoD will allow recipients to:

1. Delay submission of financial, performance, and other reports on currently active award accounts up to three months beyond the normal due date (2 CFR § 200.327). In addition, the DoD waives the requirement for recipients to notify the agency of problems, delays, or adverse conditions related to COVID-19 on an award-by-award basis (2 CFR § 200.328(d)(1)).
 - Recipients must submit the reports at the end of the postponed period.
 - For any other deliverables related to research awards, please contact the DoD grants manager and/or program manager for award specific guidance.

2. 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*.
 - Recipients may charge the full cost of cancellation for events, travel, or other activities when the event, travel, or other activities are conducted under the auspices of the grant.
 - 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 or travel.
 - Recipients 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 charge for any cancellation or other fees related to interruption of operations or services.
 - Recipients must follow applicable institution policy on allowable expenses for travel.
 - To the maximum extent practicable, recipients will be expected to invoke or institute any and all reasonable mitigation actions and practices to lessen the cost to the Government during the crisis period. Such actions may be part of an existing program created by the grantee or may be created to respond to this crisis.

3. 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.
 - Charge other costs necessary to resume activities supported by the award, consistent with applicable Federal cost principles and the benefit to the project. The DoD will 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.

- Recipients are required 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.
 - Recipients are required to follow the guidance in 2 CFR § 200.430 regarding allowability of tuition re-imbusement.
 - To the maximum extent practicable, recipients will be expected to invoke or institute any and all reasonable mitigation actions and practices to lessen the cost to the Government during the crisis period. Such actions may be part of an existing program created by the grantee or may be created to respond to this crisis.
4. Extend awards that 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 12 months.
- Project-specific financial and performance reports will be due 90 days following the end date of the extension.
 - **If all funds were provided at the start of a project, please be aware that funding expiration statutes may prohibit extensions. Please contact the DoD grants manager for award specific guidance.**
5. Waive prior approval requirements to effectively address the response, except for change of scope or principle investigator.
- All costs charged to Federal awards must be consistent with Federal cost policy guidelines and the terms of the award, except where specified in these emergency terms.
6. Waive the procurement requirements contained in 2 CFR § 200.319(b), regarding geographical preferences, and 2 CFR § 200.321, regarding contracting small and minority businesses, women's business enterprises, and labor surplus area firms.
7. Use the currently approved indirect cost rates (i.e., predetermined, fixed, or provisional rates) to recover their indirect costs on Federal awards.
- Recipient may request an extension on the use of the current rates for one additional year without submission of an indirect cost proposal.
 - For those recipients for which the DoD is the cognizant indirect-costs agency, recipients may requests an extension of the indirect cost rate proposal submission to finalize the current rates and establish future rates.
8. 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.
- Recipients my submit closeout reports within one year after the award expires.
9. 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 months beyond the normal due date, for those recipients that the DoD is the cognizant or oversight agency for audit and

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.

- Recipients and subrecipients must maintain documentation of the reason for the delayed filing.
- Recipients and subrecipients 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*.