

Grantee Update #3: Updated Guidance on Short Term Administrative Relief for Grantees Impacted by COVID-19

Dear OJP Award Recipients—

On June 18, 2020, the Office of Management and Budget (OMB) issued OMB memorandum [M-20-26](#), “*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*,” extending certain flexibilities for administrative relief to funding recipients affected by the loss of operational capacity due to the COVID-19 pandemic.

The Office of Justice Programs (OJP) provides short term relief for the following two requirements under 2 CFR Part 200, *Uniform Administrative Requirements, Cost principles and Audit Requirements for Federal Awards*. In accordance with M-20-26, these exceptions are time-limited and will expire on September 30, 2020. OJP previously provided various short term administrative, financial, and audit requirement flexibilities to its recipients based on OMB’s memorandum M-20-17 in its March 21, 2020 email to grantees, [Grantee Update #2](#). The flexibilities provided under M-20-17 expired on June 16, 2020.

1) Allowability of salaries and other project costs: OJP will allow recipients to continue to charge salaries and benefits to their awards consistent with the recipients’ policy of paying salaries and benefits under unexpected or extraordinary circumstances from all funding sources (Federal and non-Federal). As outlined in 2 C.F.R. § 200.431 (a) and (b), benefits may include the costs of leave (“regular compensation paid to employees during periods of authorized absences from the job, such as for annual leave, family-related leave, sick leave ... administrative leave, and other similar benefits”), as long as they are provided under written leave policies. This flexibility expires September 30, 2020.

OJP encourages recipients to review and update (if necessary) their written leave policies to address “unexpected or extraordinary circumstances.” Recipients are required to maintain copies of the leave policies and cost documentation (as required by 2 C.F.R. § 200.302, 2 C.F.R. § 200.333, and 2 C.F.R. § 431(b)(1)) to substantiate the charging of salaries and benefits during interruption of operations or services. Recipients are to 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 should retain documentation of their efforts to exhaust other funding sources and reduce overall operational costs.

A recipient must ensure that it does not charge payroll costs (if any) paid for with Paycheck Protection Program loans (or Federal funds from other CARES Act programs) to its award, as this would result in the Federal government paying for the same expenditures twice.

While cooperative agreement recipients may benefit from the administrative flexibility outlined above, OJP is still requiring prior approval and Grant Adjustment Notices (GANS) for any cost

or project changes related to cooperative agreement awards. Recipients should contact their OJP program managers promptly to discuss anticipated changes.

In keeping with its accountability as a pass-through entity (as applicable) to ensure that subrecipients receive any necessary guidance and information on requirements a subrecipient would need to meet so that the recipient may meet its own responsibility under the award, the recipient should take appropriate measures designed to ensure that subrecipient records (including leave policies) and cost documentation pertinent to the award are maintained consistent with this notice (and as required consistent with 2 CFR Part 200).

2) Single Audit Submission: In cases where OJP serves as the cognizant agency or has oversight for a recipient's audit, it will allow grant recipients that have 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, an extension of 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. This flexibility expires December 31, 2020. Please note that recipients taking advantage of this extension should maintain documentation of the reason for the delayed filing and would still qualify as a "low-risk auditee" under the criteria of 2 CFR § 200.520 (a). Additionally, 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.

Please direct questions about this guidance to your OJP grant manager, or to OJP's Office of the Chief Financial Officer by calling the Customer Service Center at 1-800-458-0786 (TTY: 202-616-3867), or via email at ask.ocfo@usdoj.gov.

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