



ADDENDUM

September 2, 2020

State Councils on Developmental Disabilities

Update and Clarification on Previous Grant Flexibilities Guidance Issued on April 28, 2020

The purpose of this addendum is to update and clarify the guidance released on April 28, 2020, surrounding grant flexibilities available to grantees due to COVID-19. The objective is to help support State Council on Developmental Disabilities operationalize their grant planning activities.

- All Fiscal Year 2018 awards have a liquidation deadline of September 30, 2020 as established in the Notice of Award (NOA).
- All Fiscal Year 2019 awards included a one-time special condition that allows the grantees to complete the work authorized by September 30, 2021. Subsequently, due to the impact of COVID-19, there is now additional grant flexibility available through a no cost extension on the obligation of funds for FY 2019 awards. The guidance below outlines that timeline and the updated procedures recently provided by ACL's Center for Management and Budget for grantees to make a request for this additional grant flexibility.
- All Fiscal Year 2020 awards will follow the schedule established in the NOA. ACL is not currently soliciting no cost extension requests for FY 2020 grant awards at this time.

Fiscal Year 2019 Awards

The Fiscal Year 2019 grant awards included a one-time special condition that was incorporated in the Notice of Award (NOA) for all grantees issued by the ACL Office of Grants Management in December 2018: *ACL approves a one-time special condition for Federal fiscal year 2019 grant awards that will allow for grantees to complete the work authorized by September 30, 2021, but obligations must be made by the 24-month period project end date of September 30, 2020. Consistent with existing requirements, grantees are to liquidate obligations by September 30, 2021 unless a waiver is approved [45 CFR 1326.3(a)].*

The above special condition enumerates that activities can be carried out till September 30, 2021 as long as funds are obligated by September 30, 2020. Consistent with the special condition outlined in the NOA for Fiscal Year 2019 award funds to grantees, the timetable is the following under the table titled *Pre-COVID Timeline – Fiscal Year 2019 Awards*:

Pre-COVID Timeline – Fiscal Year 2019 Awards	
Project Period	10/1/2018- 9/30/2020
Obligation of Funds	10/1/2018 - 9/30/2020
Liquidation of Funds	9/30/2021
Fiscal Final Reports	12/31/2021

Due to COVID-19, ACL is allowed to provide additional grant flexibilities for Fiscal Year 2019 grant awards. Specifically there is additional flexibility to extend the obligation of funds deadline from September 30, 2020 to September 30, 2021. These updated dates are reflected in the following table under the table titled *COVID Timeline – Fiscal Year 2019 Awards*:

COVID Timeline– Fiscal Year 2019 Awards (Grant Flexibility Allowable Due to COVID-19)	
Project Period	10/1/2018 - 9/30/2021
Obligation of Funds	10/1/2018 - 9/30/2021
Liquidation of Funds	9/30/2022
Fiscal Final Reports	12/31/2022

Since issuing the April 28, 2020 guidance, ACL’s Center for Management and Budget established a procedure in which grantees must submit a request for a no cost extension. If the grantee wishes to extend its obligation of FY 2019 award funds deadline to September 30, 2021, the State Council Executive Director must briefly describe in a signed letter the extenuating circumstance as it specifically relates impact of COVID-19 to justify the no cost extension. This would simply describe how COVID-19 has prevented business to be conducted as usual. The deadline to submit this signed letter to your Project Officer for review is September 14, 2020. The designated ACL Project Officers assigned to the different regions are the following:

Regions 1, 2, 3, 4, and 6 – Sara Newell-Perez, Sara.Newell-Perez@acl.hhs.gov (please cc: Allison.Cruz@acl.hhs.gov)

Regions 5, 7, 8, 9, 10 – Shawn Callaway, Shawn.Callaway@acl.hhs.gov (please cc: Allison.Cruz@acl.hhs.gov)

Fiscal Year 2020 Awards

Timeline – Fiscal Year 2020 Awards	
Project Period	10/1/2019- 9/30/2021
Obligation of Funds	10/1/2019 - 9/30/2021
Liquidation of Funds	9/30/2022
Fiscal Final Reports	12/31/2022

Since both the project period and obligation of funds both currently have a deadline established for next year on September 30, 2021, ACL is not currently soliciting no cost extension requests for FY 2020 grant awards at this time.



**State Councils on Developmental Disabilities
Grant Flexibilities under COVID-19- Updated**

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 award. The revised timelines are optional. Councils are encourage to continue to work towards compliance with obligation and liquidation deadlines

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 Extensions (2 CFR § 200.308).
- 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 9/30/2021, for ACL’s review and consideration.

FY 18 Revised Obligation and Liquidation Dates		
	NOA Expiration Dates	No–Cost Extension End Dates
Project Period Obligation of Funds	10/1/2017- 9/30/2019	10/1/2017- 9/30/2020
Liquidation of Funds	9/30/2020	9/30/2021
Final Reports	12/31/2020	12/31/2021

For the FY 19 awards:

- No-Cost Extensions (2 CFR § 200.308).
- 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 consideration.

FY 19 Revised Obligation and Liquidation Dates		
NOA Expiration Dates		No–Cost Extension End Dates
Project Period Obligation of Funds	10/1/2018- 9/30/2020	10/1/2018- 9/30/2021
Liquidation of Funds	9/30/2021	9/30/2022
Final Reports	12/31/2021	12/31/2022

For the FY 20 awards:

- No-Cost Extensions (2 CFR § 200.308).
- 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 consideration.

FY 20 Revised Obligation and Liquidation Dates		
NOA Expiration Dates		No–Cost Extension End Dates
Project Period Obligation of Funds	10/1/2019- 9/30/2021	10/1/2019- 9/30/2022
Liquidation of Funds	9/30/2022	9/30/2023
Final Reports	12/31/2022	12/31/2023

Liquidation Waiver

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.

FY 20 Obligation and Liquidation Dates	
Project Period	10/1/2020- 9/30/2022
Obligation of Funds	
Liquidation of Funds	9/30/2023
Final Reports	12/31/2023

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. ACL will examine the need to extend project reporting as the need arises. For assistance, please contact your project officer.

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*.