

June 25, 2020

NSF Implementation of 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*” dated June 18, 2020

The purpose of this guidance is to implement updated guidance authorized by Office of Management and Budget (OMB) Memorandum M-20-26¹ for recipients affected by COVID-19. This guidance extends two of the short-term administrative relief from specific requirements contained in 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, without compromising accountability requirements. These extensions, that go beyond what OMB previously outlined in Memorandum M-20-17, specifically pertain to the allowability of salaries and other project activities and single audit submission. In order to support charges against NSF awards, recipients are reminded of their responsibility to maintain appropriate records and documentation to support the charges in accordance with institutional policies and procedures.

The extended flexibilities authorized by OMB in M-20-26 are outlined below.

1. Allowability of Salaries and Other Project Activities (2 CFR § 200.403, 2 CFR § 200.404, 2 CFR § 200.405)

Recipients are authorized to continue to charge salaries and benefits to active NSF awards consistent with the recipients' policy of paying salaries (under unexpected or extraordinary circumstances) from all funding sources, Federal and non-Federal. NSF continues to authorize recipients to charge other costs to NSF awards necessary to resume activities supported by the award, consistent with applicable Federal cost principles and the benefit to the project. Recipients must not assume that supplemental funding will be available should the charging of such costs or other fees result in a shortage of funds to eventually carry out the original goals of the project.

NSF may also evaluate the recipient's ability to resume the project activity in the future and the appropriateness of future funding, as done under normal circumstances based on subsequent annual project reports and other communications with the recipient.

Under this flexibility, payroll costs paid with the Paycheck Protection Program (PPP) loans or any other Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act programs must not be also charged to current NSF awards as it would result in the Federal government paying for the same expenditures twice. Recipients are reminded of their responsibility to maintain appropriate records and cost documentation; as required by 2 CFR § 200.302 - *Financial management* and 2

¹ [OMB M-20-17](#), *Administrative Relief for Recipients and Applicants of Federal Financial Assistance Directly Impacted by the Novel Coronavirus (COVID19) due to Loss of Operations* (March 19, 2020), and [OMB M-20-20](#), *Repurposing Existing Federal Financial Assistance Programs and Awards to Support the Emergency Response to the Novel Coronavirus (COVID-19)* (April 9, 2020), were rescinded effective June 16, 2020. Any requests for use of flexibilities specified in OMB Memoranda M-20-17 or M-20-20 that were submitted prior to June 16th are actionable by NSF if included in the Foundation's implementation.

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.

Due to the limited funding resources under each NSF award necessary to achieve its specific project, as specified in M-20-26, recipients must 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 NSF funds for the ramp-up effort. Recipients must retain documentation of their efforts to exhaust other funding sources and reduce overall operational costs.

This flexibility is time limited and will expire on September 30, 2020.

2. Extension of Single Audit Submission and COVID-19 Emergency Acts Fund Reporting (2 CFR § 200.512)

Recipients and subrecipients 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, are authorized to delay the completion and submission of the Single Audit reporting package, as required under Subpart F of 2 CFR § 200.501 - *Audit Requirements*, up to 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 of up to three (3) months beyond the normal due date. No further action by NSF is required to enact this extension. This extension does not require individual recipients and subrecipients to seek approval for the extension by the cognizant or oversight agency for audit; however, recipients and subrecipients should 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*.

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.

This flexibility is time limited and will expire on December 31, 2020.

Any questions regarding the NSF implementation of M-20-26 should be directed to the NSF Policy Office at policy@nsf.gov.