

EPA Frequent Questions on Grant Issues in Response to the Novel Coronavirus (COVID-19) Public Health Emergency Common Questions Region 9 (updated 2/1/2021)

In response to the COVID-19 crisis, the Office of Management and Budget (OMB) issued three memoranda providing class exceptions allowing Federal awarding agencies to grant various administrative, financial and audit requirement flexibilities to their applicants and recipients. The flexibilities provided in the OMB memoranda were time limited. OMB issued Memorandum M-20-26 (June 18, 2020 OMB Guidance) (PDF) which provided notification that most of the flexibilities in the March 19, 2020 and April 9, 2020 OMB Guidances expired as scheduled on June 16, 2020. Now that the March 19, 2020 and April 9, 2020 OMB Guidances are partially rescinded, OGD has updated the FQs to reflect the rescission and the changes described in the June 18, 2020 OMB Guidance. The list below is a summary of common questions we have received in Region 9.

Question:	Abbreviated Answer:
Q: Will EPA grant operations be impacted by the telework enacted in response to the COVID-19?	A: No. Grant operations are expected to be fully functional during the telework enacted in response to the COVID-19 virus. The Agency's grants management offices (headquarters and regional) are fully capable of performing grants functions remotely.
Q: How should EPA grant recipients request that EPA provide them administrative relief from a requirement due to COVID-19?	A: Recipients should email their Project Officer (PO) and Grants Specialist (GS) and provide a description of the action they want EPA to take. The email should include a brief justification that includes how the COVID-19 public health crisis has impacted their ability to comply with a requirement in the agreement.
Q: Can OGD provide exceptions on a case by case basis if a recipient believes a regulatory exception is necessary due to the impacts of COVID-19?	A: Yes, OGD is authorized to issue case by case exceptions in accordance with 2 CFR 200.102 and 2 CFR 1500.3. Please contact your Project Officer and Grants Specialist to request regulatory exceptions.
Q: Is EPA providing flexibility with respect to submission of assistance agreement forms/documents that traditionally have required wet ink signatures?	A: Yes. Within specific parameters, EPA will accept both electronically and digitally signed assistance agreement forms/documents. Please consult RAIN-2020-G04-R1 for more information. https://www.epa.gov/grants/rain-2020-g04-r1
Q: Are unanticipated costs associated with recipient employees teleworking due to COVID-19 social distancing requirements and/or state-local stay at home orders allowable?	A: Yes, provided the costs meet regulatory requirements for adequate documentation, internal controls, reasonableness, allocability, and consistency. Recipients must establish teleworking policies that ensure that these requirements are met and include justifications for specific purchases in their files.
Q: Can EPA grant recipients continue to compensate employees whose work on EPA financial assistance agreements has been interrupted due to the impact of COVID-19?	A: Not without a regulatory exception or policy waiver. This flexibility provided in the June 18, 2020 OMB Guidance (PDF) was time limited and has expired. Therefore, EPA will consider providing exceptions to the regulations on cost allowability at 2 CFR 200.403 on a case by case basis if there are compelling reasons for a recipient to use EPA funds to continue to compensate employees who are unable to work on activities that the recipient carries out under EPA financial assistance agreements. Please contact your Project Officer and Grants Specialist.
Q: If an EPA grant recipient permits their employees administrative leave to comply with social distancing guidance from public officials, are the costs allowable?	A: There is a regulatory provision in 2 CFR 200.431 Compensation-fringe benefits governing administrative leave and other fringe benefits for recipient employees working on federally-funded projects if administrative leave is necessary. However, it may not be necessary to use administrative leave to compensate employees whose work on the assistance agreement has been interrupted due to the impact of COVID-19. Recipients may continue to compensate these employees as long as the recipient also compensates employees whose salaries or benefits are funded from other sources.
Q: Will EPA modify workplans, adjust budgets, and extend project periods of grants if necessary? (May EPA grant funds be redirected toward COVID-19 response activities?)	A: It depends. Recipients should contact their Project Officer and provide detailed information regarding the nature of the COVID-19 response activities that the recipient wants to carry out. An authorized EPA Official will then provide the recipient with a determination on whether the activities are within the current scope of work or whether EPA will allow the recipient to modify the work plan/ scope of work to include the activities.
Q: If an EPA grant recipient is carrying out a project that will not be completed due to delays in performance what will EPA do?	A: When a project cannot be carried out, and the scope of work cannot be revised to provide for other allowable activities, EPA will work with the recipient to partially terminate the agreement.
Q: Will EPA extend the dates for financial and performance reporting if a recipient impacted by COVID-19 is unable to comply with existing requirements?	A: It depends. Please contact your Project Officer and GS and provide an appropriate written justification for delays in reporting. An authorized EPA Official will make these determinations on a case by case basis.

NOTE: This is only a summary of EPA Frequent Questions about Grants and Coronavirus (COVID-19) and common questions we have received at EPA Region 9. The Office of Grants and Debarment (OGD) recognizes that the situation surrounding COVID-19 is constantly changing and this document will be updated as needed based on additional guidance from OMB or as otherwise appropriate. For the purposes of these Q&As, the term "grant" also includes cooperative agreements.

Links:

EPA Frequent Questions about Grants and Coronavirus (COVID-19)
<https://www.epa.gov/coronavirus/frequent-questions-about-grants-and-coronavirus-covid-19>

On June 18, 2020, OMB issued Memorandum M-20-26 (June 18, 2020 OMB Guidance) (PDF)
[Memorandum M-20-26 \(June 18, 2020 OMB Guidance\) \(PDF\)](#)