

Non-Profit Notes

OMB Extends Filing Due Date for Single Audit Submissions

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The Office of Management and Budget (OMB) issued [Memorandum M-20-17](#) dated March 19, 2020, *Administrative Relief for Recipients and Applicants of Federal Financial Assistance Directly Impacted by the Novel Coronavirus (COVID-19) due to Loss of Operations*. The Memorandum addresses several areas intended to provide administrative relief to recipients of federal funds whose operations have been affected by the recent spread of the coronavirus. The exceptions and relief provided are time-limited and will be reassessed by the OMB within 90 days of the issued Memorandum.

The key points contained in the Memorandum follow. The OMB stated that communications with updates and additional information will be sent as the situation further develops. We will keep our clients informed.

Extension of Single Audit Submission Due Date

Awarding agencies, in their capacity as cognizant or oversight agencies for audit, should allow recipients and subrecipients that have not yet filed their single audits with the Federal Audit Clearinghouse as of the date of the issuance of this Memorandum and 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. 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.

Allowability of Salaries and Other Costs

Awarding agencies may allow recipients to continue to charge salaries and benefits to currently active federal awards consistent with the recipient's policy of paying salaries (under unexpected or extraordinary circumstances) from all funding sources, federal and non-federal. Awarding agencies may allow other costs to be charged to federal awards necessary to resume activities supported by the award, consistent with applicable federal cost principles and the benefit to the project. Awarding agencies may also 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.

Awarding agencies must require recipients 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.

Allowability of Costs Not Normally Chargeable to Awards

Awarding agencies may allow recipients who 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. Awarding agencies may allow recipients to charge full cost of cancellation when the event, travel, or other activities are conducted under the auspices of the grant.

Awarding agencies must advise recipients that they 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. Awarding agencies must require recipients 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 cancellation or other fees related to interruption of operations or services. As appropriate, awarding agencies may list additional guidance on specific types of costs on their websites and/or provide a point of contact for an agency program official.

Extension of Financial, Performance, and Other Reporting Requirements

Awarding agencies may allow grantees to delay submission of financial, performance and other reports up to three (3) months beyond the normal due date. If an agency allows such a delay, grantees will continue to draw down federal funds without the timely submission of these reports. However, these reports must be submitted at the end of the postponed period. In addition, awarding agencies may waive the requirement for recipients to notify the agency of problems, delays or adverse conditions related to COVID-19 on a grant-by-grant basis [200 CFR 200.328(d)(l)].

Extension of Currently Approved Indirect Cost Rates

Awarding agencies may allow grantees to continue to use the currently approved indirect cost rates (i.e., predetermined, fixed, or provisional rates) to recover their indirect costs on federal awards. Agencies may approve grantee requests for an extension on the use of the current rates for one additional year without submission of an indirect cost proposal. Agencies may also approve grantee requests for an extension of the indirect cost rate proposal submission to finalize the current rates and establish future rates.

Contact Us

We are monitoring developments in Washington, DC and will communicate with our clients as necessary so that they are updated. We also invite you to visit our [COVID-19 Resource Center](#) for more news and insights on related topics.

In the interim, if your not-for-profit organization needs assistance with any accounting, auditing, tax or business consulting services, please contact the partner in charge of your account or:

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