



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

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Department of the Interior Guidance (DIG) Release 2012-02

Subject: Financial Assistance Administration Potential Responses to Natural Disasters and Emergency Situations

References: OMB Grant Circulars A-21 (2 CFR Part 220), A-87 (2 CFR Part 225), A-102, A-110 (2 CFR Part 215), A-122 (2 CFR Part 230); Stafford Act (Public Law 106-390); and 900 DM 1, *Policy, Functions, and Responsibilities of the Emergency Management Program*.

- 1. Purpose:** This DIG outlines policy guidance for financial assistance (grants and cooperative agreements) administrative requirements in the event of a natural disaster or emergency situation.
- 2. Effective Date:** Effective immediately upon issuance.
- 3. Background and Explanation:** In emergency situations, the immediate concerns for bureaus and offices are to save lives and protect the health and safety of the public and employees. Aid to recipients of financial assistance during emergency situations will be handled on a case-by-case basis in a manner appropriate to the circumstances. There are a number of ways in which Federal grant-making agencies may relieve, in the short term and at their discretion, certain administrative and financial management requirements under the Office of Management and Budget (OMB) grant circulars (A-21, A-87, A-102, A-110 and A-122) for recipients located in an area where an emergency has been declared.
- 4. Applicability:** During emergency and major disaster declarations, the Department will coordinate with other Federal agencies, State and local governments, and OMB to develop additional instructions to supplement this DIG. The Department will consider such issues as whether a Federal Disaster Declaration has been issued; the severity of damage; the length of time an institution may be required to close or length of time required for recovery; and the overall impact on financial assistance recipients.

The following description of proposed relief measures is provided for your information. Implementation of the actions in no way releases bureaus and offices from fulfilling all required grantor administrative actions (i.e., creation, execution of amendments, notices to recipients, administrative procedures, etc.).

Bureaus and offices implementing any of these actions are urged to post information prominently on applicable web sites. Bureaus must maintain records of all programs that implement any of these actions for possible future review. These records shall identify, at a minimum, the name of the emergency event, award number, recipient's name, type of action taken, Catalog of Federal Domestic Assistance (CFDA) number, project activity name, and action date.

5. Administrative Relief Options for Recipients Impacted by an Emergency Event:

The following actions involving financial assistance administrative provisions may be taken if deemed necessary by bureaus and offices for recipients located in an impacted area where an emergency or major disaster declaration has been made by the President of the United States (Stafford Act); and agency accelerated financial assistance approval has been granted by the Assistant Secretary for Policy, Management, and Budget:

A. Flexibility with Grants.gov application deadlines.

A primary concern of applicants is how to handle Grants.gov announcement deadlines when an emergency situation impacts the business operations of an applicant and/or bureau/office. Bureaus and offices may provide flexibility with regard to the submission of competing applications in response to specific announcements, as well as unsolicited applications. Electronic and paper applications submitted after an announcement deadline should include a cover letter indicating the reasons for the delay.

B. Publishing on Grants.gov Funding renewals/amendments.

Bureaus and offices may publish Grants.gov announcements for funding extensions and/or one-time administrative supplements to current awards to approved targeted recipients in impacted areas, subject to the availability of funds.

C. No-cost extensions on expiring awards.

To the extent permitted by law, awards that were active as of the date of the emergency, and are scheduled to expire within four (4) months after the emergency event, may be extended automatically at no cost for a period up to twelve (12) months. This will allow time for grantee assessments, the resumption of individual projects, and a report on program progress and financial status. Project-specific financial and performance reports will be due 90 days following the end date of the extension. Extensions for other project reporting should be considered on a project-by-project basis. A project implementation timeline should be submitted with the recipient's request for a no-cost extension.

D. Abbreviated continuation requests.

In cases where continuation requests from projects with planned future support were scheduled for receipt during a four month period beginning on the date of an emergency declaration, bureaus and offices may accept a brief statement from recipients verifying that recipients are able to resume or restore their project activities and accept a planned continuation award. Any specific instructions should be posted on applicable websites. This approach may need to be implemented for subsequent continuation award start dates for grantee organizations; and bureaus and offices must review each on a case-by-case basis.

E. Expenditure of award funds for salaries and other project activities.

Bureaus and offices may allow recipients to continue to charge salary and benefit costs to currently active Federal awards consistent with the recipient organization's policy regarding salary payments (under unexpected or extraordinary circumstances) from all funding sources, both Federal and non-Federal. Other costs charged to Federal awards, including those necessary to resume activities supported by the award, may also be allowed by bureaus and offices, consistent with applicable Federal cost principles and the benefit to the project.

Bureaus and offices must be prudent in the evaluation of the grantee's ability to resume the project activity in the future and the appropriateness of future funding, based on subsequent progress reports and other communications with the recipient.

F. Prior approval requirement waivers.

Significant re-budgeting may occur when, under a grant or cooperative agreement where the Federal share exceeds \$100,000, cumulative transfers among direct cost budget categories for the current budget period exceed 25 percent of the total approved budget (inclusive of direct and indirect costs, Federal funds, and required matching or cost sharing). The threshold serves as a quantitative indicator of a possible change in scope. Requirements for prior approval for the re-budgeting of funds within the scope of the project may be waived if it falls under the allowable percentage, otherwise prior approval must be obtained. Automatic carryover of unspent balances may be granted for currently active awards awarded prior to the date of the emergency event. All costs charged to Federal awards must be consistent with Federal cost policy guidelines and the terms of the award. Final charges must also reflect offsets of all recoveries from other parties. As with other administrative supplement requests for recovery, the recipient should confirm in writing that the requested support does not represent a duplication of benefits, e.g., from insurance or from the Federal Emergency Management Agency (FEMA).

G. Extension of financial and other reporting.

Bureaus and offices may grant a delay of up to three (3) months beyond the original due date for submission of Federal cash transaction reports on currently active award accounts. If this delay is allowed, recipients will continue to draw down Federal funds without timely submission of these reports; however, reports must be submitted at the end of the postponed period. Extensions granted for other financial and administrative reports, such as the property and invention reports, should be reviewed on a case-by-case basis by the bureau or office.

H. Extension of currently approved indirect cost rates.

Recipients may be allowed 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 if approved by the bureau or office. The use of current rates may continue for one additional year without submission of an indirect cost proposal in these cases. Recipient requests for an extension of the indirect cost rate proposal submission to finalize the current rates and establish future rates may also be granted.

I. Extension of closeout.

Bureaus and offices may approve recipient requests to delay submission of any pending financial, performance and other reports required by the terms of the award for the closeout of expired projects, provided that proper notice about the reporting delay is given by the recipient to the government. This delay in submitting closeout reports may not exceed one year after the award expires.

J. Alternatives for record retention and cost documentation.

Recipients should be allowed to substitute copies of original records for the original records, as permitted under OMB Circular A-110. To assist recipients in the reconstruction of supporting project documentation, bureaus and offices should provide copies of all needed records that they maintained, such as indirect cost proposals, cost allocation plans, and past financial status reports.

K. Significant losses of unique research tools, information or property.

Where there have been significant losses to unique research tools, repositories of information, or property, recipients should work with their grants or program contact persons to develop a plan to determine what must be restored in order for the project to continue. The focus should be on what needs to be replaced in order to resume the project, even if this does not restore everything that was lost. If necessary, an administrative supplement/modification may be considered to add funds and/or time, if funding is available.

5. Additional Information: If you have questions about this DIG, please contact Anita Hairston, Financial Assistance Program Manager, Office of Acquisition and Property Management, at (202) 254-5558.



Debra E. Sonderman, Director

Office of Acquisition and Property Management