



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

March 19, 2021

M-21-20

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Robert Fairweather
Acting Director

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SUBJECT: Promoting Public Trust in the Federal Government through Effective Implementation of the American Rescue Plan Act and Stewardship of the Taxpayer Resources

The American Rescue Plan Act of 2021 (Pub. L. No. 117-2) (ARP) provides funding for critical resources to strengthen the backbone of our country, while also responding to the public health and economic crisis the Nation faces as a result of the COVID-19 pandemic. The ARP includes funding to set up community vaccination sites nationwide, scale up testing and tracing, eliminate supply shortage problems, invest in high-quality treatments, and address disparities in obtaining quality healthcare. The ARP also provides immediate relief to workers and families bearing the brunt of the public health and economic crisis and critical support to struggling communities and industries.

This unprecedented and historic crisis requires a swift Government-wide response, underscoring the need to ensure the public's trust in how the Federal Government implements ARP programs and distributes ARP funding. Accountability and transparency of Federal Government spending and achieving results are necessary for effective stewardship of these funds. Effective stewardship of taxpayer funds also means supporting all Americans, and as such, requires advancing racial equity and supporting underserved communities across our country. Building on recent progress and existing reporting requirements, this Memorandum supports the requirements outlined in the Executive Orders [Advancing Racial Equity and Support for Underserved Communities Through the Federal Government](#) and [Restoring Trust in Government through Scientific Integrity and Evidence-Based Policymaking](#).

The Administration is committed to effective implementation and stewardship of ARP funds. To that end, the Administration will foster accountability and public trust by delivering effective and equitable relief, while implementing sound financial management of the resources funding that relief. This includes working with the Pandemic Response Accountability Committee (PRAC) and agency Inspector Generals to strengthen payment integrity to minimize the risk of waste, fraud, and abuse; and improving the overall award and administration of financial assistance programs with an increased focus on human-centered program and service design to achieve more equitable results.

The Administration will also work with executive departments and agencies (agencies) to identify ARP programs that—given the nature of the program’s goals and design and the program’s potential impacts on equitable outcomes—require additional attention (beyond the overarching financial tracking and reporting requirements herein) to program design, tracking, and reporting to support agency, Administration, and public understanding of measures such as trust, equity, and experience that are critical to ensuring the achievement of intended program outcomes and positive impact for the American public.

Improving Program and Service Design to Achieve More Equity-Oriented Results for Federal Financial Assistance

To provide the highest integrity in the management of financial assistance, agencies must apply the requirements of title 2 of the Code of Federal Regulations, Grants and Agreements (2 CFR) to Federal financial assistance funded through the ARP to the maximum extent authorized by law. This includes the existing requirement in 2 CFR part 25 for financial assistance recipients to register at SAM.gov. Similarly, as permitted by 2 CFR § 200.101(2), agencies should apply the provisions of 2 CFR part 200 to grants and cooperative agreements to for-profit entities, with limited exceptions.

For any new programs authorized and appropriated by the ARP, agencies must submit their proposed implementation plan of 2 CFR to OMB for approval, by emailing such plans to ARP.implementation@omb.eop.gov, prior to submitting an Assistance Listing for review. Those plans should identify whether there are any required exceptions to the application of the requirements of 2 CFR, given the unique nature and goals of a given program or because the application of requirements in 2 CFR would pose insurmountable challenges to program implementation. In the event that OMB disapproves an agency’s implementation plan, that agency may submit an appeal request to OMB and the White House ARP implementation team, by emailing their appeal request to ARP.implementation@omb.eop.gov. Such appeals requests must be made and reviewed prior to program administration and award issuance or, if the need arises midstream in program implementation, prior to implementation of a new program phase or issuance of a new tranche of awards. Agencies are discouraged from submitting such appeal requests until and unless all flexibilities described herein have been considered by the agency.

Agencies should also apply, where appropriate, the flexibilities for recipients in 2 CFR, including those identified in *Appendix 2: Achieving More Equity-Oriented Results for Financial Assistance*, which highlights sections in 2 CFR part 200 that are of particular importance for an equity-oriented approach to achieving results.

Agencies should also include ARP programs in their ongoing processes for agency equity and service assessments and agency action plans called for in Executive Order 13985. In particular, Agency Equity Teams should engage in equity assessments for ARP programs. Agencies should refer any questions about this part of the ARP program design, implementation, and assessment process to equity@omb.eop.gov.

Consistent with Executive Order 14008, “Tackling the Climate Crisis at Home and Abroad,” agencies should also consider, where appropriate, how the implementation of ARP funding could increase the benefits that flow to disadvantaged communities and invest in opportunities that help revitalize energy communities.

Furthermore, agencies should apply, where appropriate, the flexibilities provided in *Appendix 3: Disaster Relief Flexibilities to Reduce Burden for Financial Assistance*, as well as other flexibilities as permitted by law. Agencies should innovate using the flexibilities described above, consistent with statutory authority and by identifying synergies across programs and agencies that alleviate burden for recipients.

For all Federal financial assistance, agencies are required to establish detailed and accurate award descriptions at the time of award. Award descriptions are critical to ensuring accountability and transparency, as they are a primary means to inform the public of the purpose of the Federal funding that is distinct from the programmatic level information in the Assistance Listings.¹ Agencies shall establish processes to validate that award descriptions provide specificity about the award purpose, activities to be performed, deliverables and expected outcomes, and intended beneficiary(ies) as well as subrecipient activities if known or specified at the time of award. Within 30 days of issuance of this guidance, agencies shall provide a plan to validate and improve award descriptions. Thereafter, every quarter close, agencies shall submit a status update including a summary of the quality of award descriptions. Plans and updates must be submitted by emailing ARP.implementation@omb.eop.gov.

Consistent with the provisions of the Foundations for Evidence-Based Policymaking Act of 2018, agencies should use Federal data to assess the effectiveness and equitable delivery of such programs and suggest improvements.

To reduce recipient reporting burden and consistent with OMB Memorandum [M-19-16](#) *Centralized Mission Support Capabilities for the Federal Government* (Apr. 26, 2019), agencies are required to consult with the relevant Quality Service Management Organization (QSMO), prior to developing new or modernized technology, or considering an existing provider, to support execution of ARP.

Federal awarding agencies must collect recipient performance reports in a manner that enables the Federal Government to articulate the outcomes of Federal financial assistance to the American people. Agencies should consider ways to collect such performance information that minimizes burden to Federal financial assistance recipients, while still collecting the needed information, including the use of independent sources of data that may be used to measure progress. As such in accordance with 2 CFR §§ 200.301 and 200.329, agencies must measure the recipient's performance to show achievement of program goals and objectives, share lessons learned, improve program outcomes, and foster adoption of promising practices.

Performance planning, management, and agency reporting for ARP funding should be incorporated into agencies' existing organizational performance management routines. Public reporting should also be integrated with required performance planning and reporting to ensure alignment with the overarching agency strategic goals and objectives.

¹ OMB Memoranda M-18-16, *Appendix A to OMB Circular No. A-123, Management of Reporting and Data Integrity Risk* (June 6, 2018); M-18-24, *Strategies to Reduce Grant Recipient Reporting Burden* (Sept. 5, 2018); and M-20-21, *Implementation Guidance For Supplemental Funding Provided in Response to the Coronavirus Disease 2019 (COVID-19)* (Apr. 10, 2020); and M-21-03, *Improvements in Federal Spending Transparency for Financial Assistance* (Nov. 12, 2020).

Ensuring Robust and Transparent Reporting

In carrying out this Memorandum, agencies will use existing financial transparency and accountability mechanisms established by OMB Memorandum [M-20-21 Implementation Guidance for Supplemental Funding Provided in Response to the Coronavirus Disease 2019 \(COVID-19\)](#) (Apr. 10, 2020). As such, agencies must report monthly, including award outlays, to [USAspending.gov](#) for all funding in the ARP and follow existing Government-wide reporting requirements on [USAspending.gov](#) as established by the Federal Funding Accountability and Transparency Act (FFATA), as amended by the Digital Accountability & Transparency Act (DATA Act). Agencies are required to ensure that all data required by [M-20-21](#) are reported to [USAspending.gov](#). Additionally, agencies are also reminded of the direction in [M-20-21](#) to incorporate reporting of organizational performance on COVID-19 related relief funding into their established mission performance plans and reports, and review progress regularly as part of their performance, evidence-building and enterprise risk management routines to the maximum extent possible.

To help accomplish this reporting, agencies are instructed to expand the usage of the Disaster and Emergency Funding Code (DEFC) and track ARP funding with a specific DEFC domain value “V” in their monthly Government-wide Treasury Account Symbol Adjusted Trial Balance System reporting and to the DATA Act Broker for display on [USAspending.gov](#). In all instances where agencies cannot use the DEFC attribute to track ARP funds, they should contact their OMB representative to determine alternative methods of tracking these funds.²

The Federal Assistance Listings³ is the single, authoritative, government-wide comprehensive source of Federal financial assistance program information, including loans, produced by the executive branch of the Federal Government. Agencies are required to establish an assistance listing prior to publicly releasing information regarding the administration of any new financial assistance program and update existing assistance listings annually.⁴ Agencies should pay particular attention to this exercise as an important source of transparency for ARP funds.

Agencies are reminded of: (1) the subaward reporting requirements located at 2 CFR part 170, *Reporting Subawards and Executive Compensation Information*; and (2) agencies’ responsibilities to implement processes that support the overall quality of subaward data, including actions agencies are expected to take when recipients are non-compliant with these reporting requirements. To emphasize the importance of subaward reporting, OMB included this topic in the 2020 Compliance Supplement Addendum as one of the areas auditors are required to review in COVID-19 grants and cooperative agreement programs. OMB will also include this topic as topic a requirement for all financial assistance programs reviewed under the Single Audit requirements in the 2021 Compliance Supplement.

Agencies that have determined they are subject to the DATA Act reporting must maintain a Data Quality Plan which includes controls to manage risks to reporting objectives in accordance with [OMB Circular No. A-123](#), *Management’s Responsibility for Enterprise Risk*

² Certain provisions of the ARP, such as those involving taxes, receipts, and entitlements, may require alternative methods of reporting. OMB has worked with agencies to develop alternate reporting methods for funds related to the CARES Act (Pub. L. No. 116-136) and the Consolidated Appropriations Act of 2021 (Pub. L. No. 116-260).

³ Formerly referred to as the Catalog of Federal Domestic Assistance (CFDA).

⁴ 2 CFR §200.203, Requirement to provide public notice of Federal financial assistance programs

Management and Internal Control. Consistent with OMB Memoranda [M-18-08](#) *Guidance on Disaster and Emergency Fund Tracking* and [M-20-21](#) agencies must consider the following data elements in their Data Quality Plan pertaining to their testing plan and identification of high-risk reported data: plain English financial assistance award descriptions,⁵ DEF Code, and award outlays. Agencies are further reminded that reporting on loans is an essential part of providing transparency for Federal spending, and agencies for which loans are a significant part of their portfolio should carefully consider whether their compliance with existing policy should be included in their Data Quality Plans.

Additional guidance providing further detail and covering a fuller range of items will be issued. Questions about this memorandum or the guidance generally can be addressed to your agency's OMB counterparts or to ARP.implementation@omb.eop.gov.

Thank you for your attention to these matters.

Appendices:

- 1- Management of Payment Integrity Risks
- 2- Achieving More Equity-Oriented Results for Financial Assistance
- 3- Disaster Relief Flexibilities to Reduce Burden for Financial Assistance

⁵ Additional guidance for financial assistance award descriptions can be found in OMB Memorandum M-21-03, *Improvements in Federal Spending Transparency in Financial Assistance* (Nov. 12, 2020).

Appendix 1: Management of Payment Integrity Risks Related to American Rescue Plan Funding

The Payment Integrity Information Act of 2019 (PIIA) and OMB Memorandum [M-21-19](#), *Transmittal of Appendix C to OMB Circular A-123, Requirements for Payment Integrity Improvement* (Mar. 5, 2021), establish the framework for assessing payment integrity risks and developing corrective actions to mitigate those risks. When conducting an improper payment risk assessment for programs receiving ARP funding, agencies should ensure that in addition to providing proper consideration to the relevant factors referenced in [M-21-19](#) and PIIA, they have also considered the impact that the following risk factors have on the program’s payment integrity and whether those factors are significant enough to warrant the implementation of additional payment integrity risk mitigation strategies prior to disbursing funds, such as:

- New Legal Provisions;
- Change to Existing Program Eligibility Rules;
- Increased Volume of Program Applications; and
- Limitations in Resources Relative to Volume of Applications or Funding.

Moreover, certain risks listed in PIIA will likely be more salient for ARP relief, including, “whether the program or activity reviewed is new to the executive agency,” “the volume of payments made through the program or activity reviewed,” and “recent major changes in program funding, authorities, practices, or procedures.” Generally, it is the agencies’ responsibility to assess their existing internal controls for the payment integrity of current programs and to design controls for new programs to mitigate payment integrity risks. In making these decisions, agencies should leverage existing resources, including the Department of the Treasury’s Do Not Pay Portal and Payment Integrity Center of Excellence⁶ and similar federal entities or databases. Agencies should consider controls for checking any new eligibility requirements. Agencies should also work with their Inspectors General to identify other areas of risk and support. In addition, agencies should consider different strategies that can be implemented in the short term to mitigate payment integrity risks, such as increased automation, behavioral influence, internal process or policy change, and predictive analytics. Agencies must continue to report pursuant to PIIA their improper payments on paymentaccuracy.gov. Finally, agencies must balance financial management and programmatic goals, including speed of delivery, burden on beneficiaries, and other program attributes that impact racial equity and support for underserved communities, when considering changes to internal controls. Agencies should advance racial equity by administering programs fairly and equitably.

OMB anticipates continued collaboration with the PRAC to include joint communications on issues related to ARP relief that will raise awareness on specific challenges and opportunities for payment integrity.

⁶ U.S. Department of Treasury, Payment Integrity Center of Excellence, <https://www.fiscal.treasury.gov/payment-integrity-center/> (March 18, 2021); U.S. Department of Treasury, Do Not Pay, <https://www.fiscal.treasury.gov/DNP/> (March 18, 2021).

Appendix 2 - Achieving More Equity-Oriented Results for Financial Assistance

Consistent with the requirements in 2 CFR part 200 *Uniform Administrative Requirements, Cost Principles, And Audit Requirements for Federal Awards*, Federal awarding agencies are required to administer programs in a manner that promotes fair and equitable administration of financial assistance and takes a risk-based, data-driven approach that balances compliance requirements with demonstrating successful results. OMB also reminds agencies of the following requirements that are of particular importance for administering crisis relief funds. Agencies must apply these requirements to all types of Federal financial assistance funded through the ARP to the maximum extent authorized by law. For all new programs, agencies are required to submit their proposed implementation of 2 CFR part 200 to OMB for approval prior to program administration and award issuance. For more resources, agencies may leverage *Managing for Results: The Performance Management Playbook for Federal Awarding Agencies* and other items available at <https://www.cfo.gov/financial-assistance>.

I. Program Planning and Design: As reflected in 2 CFR § 200.202, a program must be designed with clear goals and objectives that facilitate the delivery of meaningful results. The Administration expects agencies to set a limited number of ambitious, but achievable goals that encourage innovation and adoption of evidence-based strategies. Well-designed programs, with a focus on equity implications, represent a critical component of an agency’s implementation strategies and will contribute to longer-term outcomes responsive to the current crisis. Federal awarding agencies are encouraged to review resources that focus on program design. (2 CFR § 200.202)

II. Public Availability of Notice of Funding Opportunities (NOFOs): Pursuant to 2 CFR § 200.203, for discretionary grants and cooperative agreements that are competed, agencies are required to post NOFOs to the OMB designated website Grants.gov. Further, to leverage the information in Grants.gov for data analytics, agencies must post the full text of the NOFO as an attachment in the “Full Announcement” folder on the “Related Documents” tab in addition to completing the synopsis.

III. Performance Reporting: As required by 2 CFR §§ 200.301 and 200.329, Federal awarding agencies must measure the recipient’s performance to show achievement of program goals and objectives, share lessons learned, improve program outcomes, and foster adoption of promising practices. Agencies are strongly encouraged to focus their Federal agency performance reporting on the intended program outcomes to produce value to the American taxpayer. Federal awarding agencies must collect performance reports in a manner that enables the Federal government to articulate the outcomes of financial assistance funding to the American people. Finally, Federal awarding agencies must consider the appropriate interval of performance reporting to best inform improvements in program outcomes and productivity as establishing reporting requirements.

IV. Risk Management: Agencies are required to maximize use of risk management approaches to direct technical assistance and administrative relief for crisis response to funding recipients. Appropriately focusing on a risk-based approach emphasizes the importance of program performance outcome measures and equitable economic recovery effectiveness for working families, communities, and small businesses. Agencies may adjust terms and conditions of awards based on risk of achieving the intended outcomes. (2 CFR § 200.206)

V. Case-by-Case Exceptions: 2 CFR § 200.102 allows Federal awarding agencies to grant case-by-case exceptions for individual Federal awards, except where otherwise required by law or where OMB or other approval is expressly required. Federal awarding agencies are encouraged to use this provision as necessary when the conditions warrant an exception to support the implementation of crisis relief funds.

VI. Innovative Funding Approaches: Agencies are encouraged to take, to the extent authorized by law, innovative administrative approaches to increase efficiency and effectiveness across programs (e.g., braiding and blending funds). These approaches may be employed across multiple programs and agencies to better reach under-served communities and alleviate burden on recipients. (See e.g., 2 CFR §§ 200.102, 200.201(b), and 200.333)

VII. Procurement of Common or Shared Goods and Services (including Information Technology): As reflected in 2 CFR § 200.318, Federal awarding agencies should encourage recipients to enter into State and local intergovernmental agreements or inter-entity agreements, where appropriate for procurement or use of common or shared goods and services.

VIII. Financial Assistance Awards to For-Profit Organizations: For purposes of ARP implementation, Federal awarding agencies are expected to follow the requirements as directed by OMB in 2 CFR part 200 for financial assistance awards to for-profit organizations to the maximum extent authorized by law. This Uniform Guidance, as adopted by the agencies, provides requirements for all federal awards from program design to closeout and includes audit requirements under the Single Audit Act of 1996. As consistent with the policy for all Federal awards, fee and profits are not allowable. Agencies may consider deviations in the following areas:

- Cost sharing or matching
- Equipment
- Intellectual Property
- Indirect costs
- Audits (agencies should consider whether Single Audit or some other audit is most appropriate)

Federal awarding agencies must develop a set of standard terms and conditions that are clear and transparent for awards to for-profit organizations.

IX. Other Types of Federal Financial Assistance: Agencies should apply the requirements of 2 CFR part 200 to all types of financial assistance awards funded through the ARP, including the application of those provisions of that guidance that would typically apply only to grants and cooperative agreements. This includes considering a general application with deviations from specific provisions (such as elimination of accounting of costs for a fixed price award). The deviations must be clearly communicated to applicants and recipients in the terms and conditions of the award.

X. Use of Single Audit to drive accountability and transparency: Non-Federal entities (States, local governments, tribes, and non-profit organizations) with \$750,000 or more in federal expenditures are required by the Single Audit Act Amendments of 1996 (Single Audit) and 2 CFR Subpart F to have an annual audit of their Federal awards (e.g., grant and loan programs). Consistent with 2 CFR Subpart F § 200.519, agencies must perform a risk analysis of ARP programs and request OMB to designate any higher risk programs as Single Audit major

programs, i.e., programs which must be tested in a particular year. OMB will use the 2 CFR Subpart F Compliance Supplement to notify auditors of compliance requirements that should be tested for ARP programs. Consistent with existing policy, Single Audit reports, along with their audit findings, filed with the Federal Audit Clearinghouse (FAC) will be made publicly available with limited exceptions.

Appendix 3 - Disaster Relief Flexibilities to Reduce Burden for Financial Assistance

Pursuant to 2 CFR § 200.201, OMB in order to provide administrative relief, OMB is allowing Federal awarding agencies the authority to grant the following exceptions to recipients affected by the pandemic as they deem appropriate and to the extent permitted by law. These exceptions apply not only to recipients with COVID-19 related Federal financial assistance awards, but also to recipients with assistance awards not related to COVID-19. Federal awarding agencies must specifically consider exceptions that can advance racial equity and support for underserved communities. Further, Federal awarding agencies are required to maintain records of particular exceptions provided to recipients.

I. Flexibility with SAM registration/recertification: Federal awarding agencies may relax the timing of the requirement for active SAM registration at time of application in order to expeditiously issue funding. At the time of award, the requirements of 2 CFR § 200.206, Federal awarding agency review of risk posed by applicants, continue to apply. Current registrants in SAM with active registrations expiring between April 1, 2021 and September 30, 2021 will automatically be afforded a one-time extension of 180 days. (2 CFR § 25.110)

II. Waiver for NOFO Publication: Awarding agencies may publish emergency and competitive NOFOs for grants and cooperative agreements for less than 30 days without separately justifying shortening the timeframe for each NOFO. Awarding agencies are still required to document and track NOFOs published for less than 30 days under this emergency waiver. (2 CFR § 200.204)

III. Pre-award costs: Awarding agencies may allow necessary pre-award costs that are incurred: (i) from March 15, 2021 through the Public Health Emergency Period; and (ii) prior to the effective date of a Federal award. (2 CFR § 200.210, 2 CFR § 200.458)

IV. No-cost extensions on expiring awards: To the extent permitted by law, awarding agencies may extend awards that were active as of March 31, 2021 and scheduled to expire prior or up to December 31, 2021, automatically at no cost for a period of up to 12 months. This will allow time for recipient assessments, the resumption of many individual projects, and a report on program progress and financial status to agency staff. Project-specific financial and performance reports will be due 90 days following the end date of the extension. Awarding agencies will examine the need to extend other project reporting as the need arises. (2 CFR § 200.309)

V. Abbreviated non-competitive continuation requests: For non-competitive continuation requests scheduled between April 1, 2021 and December 31, 2021, awarding agencies may accept a brief statement from recipients to verify that they are in a position to: (i) resume or restore their project activities and (ii) accept a planned continuation award. Agencies must post any specific instructions on their website. Agencies must examine the need to extend this approach on subsequent continuation award start dates as recipients have an opportunity to assess the situation. (2 CFR § 200.309)

VI. Waivers from prior approval requirements: Awarding agencies are authorized to waive prior approval requirements as necessary to effectively address the response. All costs charged to Federal awards must be consistent with Federal cost policy guidelines and the terms of the award, except where specified in this memorandum. (2 CFR § 200.407)

VII. Exemption of certain procurement requirements: Awarding agencies may waive the procurement requirements contained in 2 CFR § 200.319(b) regarding geographical preferences and 2 CFR § 200.321 regarding contracting small and minority businesses, women's business enterprises, and labor surplus area firms. Awarding agencies must require recipients to maintain appropriate records and documentation to support the charges against the Federal awards. (2 CFR § 200.319(b), 2 CFR § 200.321)

VIII. Extension of financial and other reporting: Awarding agencies may allow recipients to delay submission of financial, performance and other reports up to three months beyond the normal due date. If an agency allows such a delay, recipients may continue to draw down Federal funds without the timely submission of these reports. These reports, however, must be submitted at the end of the extension 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 an award by award basis. (2 CFR § 200.328, 2 CFR § 200.329, 2 CFR § 200.329(e)(1))

IX. Extension of Single Audit submission: 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 that have fiscal year-ends through June 30, 2021, to delay the completion and submission of the Single Audit reporting package, as required under Subpart F of 2 CFR § 200.501 to six 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). (2 CFR § 200.501)

X. Flexibility with application deadlines: Awarding agencies may provide flexibility with regard to the submission of competing applications in response to specific announcements, as well as unsolicited applications, presuming these exceptions do not negatively impact underserved communities. As appropriate, agencies should list specific guidance on their websites and provide a point of contact for an agency program official. (2 CFR § 200.204)

XI. Extension of closeout: Awarding agencies may allow the grantee 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 grantee to the agency. This delay in submitting closeout reports may not exceed one year after the award expires. Upon receipt of all final reports, awarding agencies have six months to close out the award. (Guidance to Federal Agencies and Recipients) (2 CFR § 200.344)

XII. Flexibility for the Management requirement related to Physical Inventories: Awarding agencies may provide grantees up to a 12-month extension for the biennial physical inventory of equipment purchased under a Federal award. (2 CFR § 200.313 (d) (2))