Date: August 17, 2020

To: Office of Airports Regional Directors, AXX-600s
Regional Airport Planning & Programming Branch Managers, AXX-610s
Regional Airport Safety & Standards Branch Managers, AXX-620s
Airports District Office Managers, AXX-ADOs

From: Robert J. Craven, Director, Office of Airport Planning and Programming (APP-1)

Subject: Program Guidance Letter (PGL) 20-01: Flexibilities for Grant Recipients Under the Office of Management and Budget (OMB) Memorandum M-20-17

On March 19, 2020, OMB issued memorandum M-20-17, “Administrative Relief for Recipients and Applications of Federal Financial Assistance Directly Impacted by the Novel Coronavirus (COVID-19) due to Loss of Operations,” to provide additional flexibilities for federal award recipients affected by the loss of operational capacity and increased costs due to the COVID-19 crisis. The OMB Memo highlighted 13 short-term relief exceptions for administrative, financial management, and audit requirements under 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards. Most of these exceptions are time limited and will be reassessed by OMB within 90 days of March 19, 2020. The full text of the memorandum is included as an attachment. The following categories of 2 CFR Part 200 exceptions are applicable to the Federal Aviation Administration’s (FAA) Airport Improvement Program (AIP) grant recipients:

- Flexibility with SAM registration. (2 CFR § 200.205)
- No-cost extensions on expiring awards. (2 CFR § 200.308)
- Allowability of salaries and other project activities. (2 CFR §§ 200.403, 200.404, and 200.405)
- Allowability of Costs not Normally Chargeable to Awards. (2 CFR §§ 200.403, 200.404, and 200.405)
Prior approval requirement waivers. (2 CFR § 200.407)

Extension of financial, performance, and other reporting. (2 CFR §§ 200.327 and 200.328)

Extension of currently approved indirect cost rates. (2 CFR § 200.414(c))

Extension of closeout. (2 CFR § 200.343)

Extension of Single Audit submission. (2 CFR § 200.512)

To qualify for these flexibilities, AIP sponsors must show documented losses in operational capacity or increased costs due directly to the COVID-19 public health emergency. For the AIP program, operational capacity, as discussed in the opening paragraph, is the maximum level of output an organization must make to sustain its services. Losses in operational capacity could include increased administrative burden arising from social distancing requirements resulting from the COVID-19 public health emergency. Sponsors should submit requests for flexibility and supporting documentation to the Airports Regional Office (RO)/District Office (ADO).

If a RO or ADO determines that a sponsor qualifies for any of the exceptions provided in the OMB Memorandum M-20-17, and grants such exception, then those FAA offices must maintain records on the exceptions provided. See explanation of exceptions, below.

Should you have any questions, please contact APP-520 for further information.

The FAA is applying the following exceptions to sponsors who have received AIP funds, as enumerated in accordance with OMB Memorandum M-20-17:

1. **Flexibility with SAM registration.** (2 CFR § 200.205)

   The FAA may relax the requirement for active System for Award Management (SAM) registration at time of application in order to expeditiously issue funding. At the time of award, the requirements of 2 CFR § 200.205 continue to apply. GSA has implemented a process by which current registrants in SAM with active registrations expiring before May 16, 2020, will be afforded a one-time extension of 60 days.

4. **No-cost extensions on expiring awards.** (2 CFR § 200.308)

   To the extent permitted by law, the FAA may extend the period of performance on awards which were active as of March 31, 2020, and scheduled to expire prior or up to December 31, 2020. This extension may be provided for a period of up to twelve (12) months. This extension will allow time for recipient assessments, the resumption of 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. Sponsors of AIP grants must submit a period of performance extension request to their RO/ADO for each award.

6. Allowability of salaries and other project activities. (2 CFR §§ 200.403, 200.404, and 200.405)

The FAA may allow a recipient to continue to charge salaries and benefits for an AIP-eligible project to a currently active Federal award consistent with the recipient’s policy of paying salaries (under unexpected or extraordinary circumstances) from Federal funding sources. The FAA may allow other AIP-eligible 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 AIP-eligible project. The FAA may also evaluate the sponsor’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 sponsor. Sponsors must maintain appropriate records and cost documentation as required by 2 CFR §§ 200.302 and 200.333 to substantiate the charging of any AIP-eligible salaries and other project activities costs related to interruption of operations or services.

Salary costs should be consistent with the eligibility requirements stated in the AIP Handbook, Order 5100-38D- Change 1, Section 3-53 and elsewhere.


The FAA may allow recipients who incur costs related to the cancellation of 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, 200.404, or 200.405. The FAA may allow recipients to charge full cost of cancellation of travel or other activities conducted under the auspices of the grant. Recipients should not assume additional AIP funds will be available in these circumstances. Sponsors must maintain appropriate records and cost documentation as required by 2 CFR §§ 200.302 and 200.333 to substantiate the charging of any cancellation or other fees related to interruption of operations or services.


The FAA may waive prior approval requirements, as necessary, to effectively address the response to the COVID-19 public health emergency. The FAA waives prior approval requirements for costs incurred under the CARES Act Airport Grants program provided costs are eligible under those grant agreements.

Some items of cost for which prior approval is waived are equipment; salaries/wages and fringe benefits; investment management; insurance and indemnification; memberships, subscriptions and professional dues; organization costs; certain pre-award costs; marketing costs; taxes (including value added tax); and travel costs. Prior approval requirements for planning,
engineering, and construction projects discussed in Chapter 3, Part 10, Section 3.53 of the AIP Handbook Order 5100-38D, Change 1, are not waived.


The FAA may allow sponsors to delay submission of financial, performance, and other reports up to three months beyond the normal due date. If the FAA allows such a delay, sponsors 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, the FAA may waive the requirement for recipients to notify the FAA of problems, delays, or adverse conditions related to COVID-19 on a grant-by-grant basis (2 CFR § 200.328(d)(1)).

11. Extension of currently approved indirect cost rates. (2 CFR § 200.414(c))

The FAA may allow sponsors 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. The FAA may approve sponsor requests for an extension on the use of the current rates for one additional year without submission of an indirect cost proposal. The FAA may also approve sponsor requests for an extension of the indirect cost rate proposal submission to finalize the current rates and establish future rates.


The FAA may allow the sponsor 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 sponsor to the agency. This delay in submitting closeout reports may not exceed one year after the award expires.


The FAA, in its capacity as cognizant or oversight agency for audit, permits sponsors and subgrantees that have not yet filed their single audits with the Federal Audit Clearinghouse as of the date of the issuance of this PGL 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, to six months beyond the normal due date. This extension does not require individual sponsors and subgrantees to seek approval for the extension; however, sponsors and subgrantees should maintain documentation of the reason for the delayed filing. Sponsors and subgrantees taking advantage of this extension still qualify as a "low-risk auditee" under the criteria of 2 CFR § 200.520(a).