



**United States
Department of
Agriculture**

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TO: Chief Financial Officers
Chief Operating Officers
Agency Budget Officers
Agency Performance Officers
Assistant Evaluation Officers

FROM: Stephen Censky
Deputy Secretary

SUBJECT: Implementation of OMB Memorandum M-20-11, "Implementation Guidance for Supplemental Funding Provided in Response to the Coronavirus Disease 2019 (COVID-19)"

This memorandum provides guidance to implement the COVID-19 supplemental funding reporting requirements authorized by the Office of Management and Budget (OMB) provided in [M-20-21](#). This memorandum provides guidance in several areas: program and performance management, DATA Act reporting, auditor guidance and procurement guidance. This memorandum contains two appendices. Appendix A provides guidance for the areas listed above. Appendix B provides requirements and timeframes in a table.

This memorandum directs agencies to leverage and continue to employ existing financial transparency and accountability mechanisms wherever possible. In balancing speed with transparency, agencies are to consider the three core principles below:

- **Mission achievement** - Federal managers and recipients at all levels should use data and evidence to achieve program objectives;
- **Expediency** - Agencies should rapidly issue awards and fund programs to meet crucial needs; and
- **Transparency and accountability** - Agencies must report information on awards to provide the public with information in a clear, accurate, and timely manner. They must also incorporate COVID-19 reporting into established performance reporting as appropriate.

I. Mission Achievement:

The U.S. Department of Agriculture, through the Office of Budget and Program Analysis, must work with their Resource Management Offices (RMOs) to identify key program design questions that must be resolved to execute spending plans. The Office of Budget and Program Analysis should document any new processes, identify intended outcomes, and label key risk areas, working with Agency Evaluation Officers and Performance Improvement Officers (PIOs).

Where COVID-19 related programs overlap among common recipients, USDA should take additional steps to ensure the integrity of these payments, reduce burden on recipients, and promote operational efficiency.

USDA must manage these new funds and awards consistent with their respective performance objectives and plans. Agencies must also incorporate performance reporting on COVID-19 relief funding into their established mission performance plans and reports, and must review progress as part of their performance, evidence-building and enterprise risk management routines to the maximum extent possible, consistent with guidance included in OMB Circulars A-11 and A-123. The Office of Budget and Program Analysis will coordinate the review, at least quarterly, of the progress made on program performance under the COVID-19 relief legislation.

USDA must report monthly to OMB and others on any obligation or expenditure of "large covered funds" (awards over \$150,000) including loans and loan guarantees, awards, pursuant to section 15011(b) of the CARES Act, as described in Appendix A of the memo.

In addition to the reporting requirements outlined above and in Appendix A below, USDA is also directed to provide weekly reporting on COVID-19 total obligations to Congressional appropriators and to OMB for enacted amounts over \$1 billion in order to keep track of the spending status of the recent supplementals. This data is currently being pulled and consolidated directly from FMFI, based on the unique Disaster Emergency Fund Codes (DEFC), and validated by agency Budget Officers or their designees prior to release by the Office of Budget and Program Analysis.

II. Expediency in Awarding Funds to Meet Crucial Needs

Agencies must continue to use standard best practices that include the internal controls necessary for prudently planning for, awarding, and managing contracts, grants, loans, and other forms of assistance. Agencies should prioritize the following considerations in their implementation:

- a. Ensure that qualified, skilled, and appropriately trained personnel are overseeing awards;
- b. Streamline regulations and internal processes, including issuing waivers and delegating decision-making where appropriate to empower managed risk-taking and innovative thinking;
- c. Balance the need for competition with timely execution of funding;
- d. Balance the need for expediency with steps to mitigate risk of fraud, waste, abuse, and improper payments;
- e. Ensure that resources go to evidence-based programs whenever possible; and
- f. Regularly communicate with and encourage coordination among state and local governments, tribes, and nonprofit entities for financial assistance, which OMB can facilitate.

III. Transparency and Accountability

Agencies should continue to apply sound data management principles to make evidence-based decisions, protect information as appropriate, and provide open data for analysis and public use. Descriptions of awards should be in plain language, consistent with the Federal Acquisition Regulation (FAR) and existing OMB guidance which includes DATA Act reportable financial assistance awards.

Agencies must have processes to ensure that the data reported is of sufficient quality for public reporting and internal decision-making purposes. OMB will seek to minimize the burden on agencies by leveraging existing data and reporting tools to collect and present information and providing information to them on existing data quality guidance and responsibilities.

The OMB memorandum also provides guidance to the Office of Inspectors General (OIG) stating that they should be developing plans to leverage their resources to prevent and detect waste, fraud, and abuse related to agency implementation of the relief legislation. The OIG community and the newly created Pandemic Response Accountability Committee (PRAC) will also work closely with OMB to coordinate COVID-19-related oversight efforts, leverage available technology to minimize burden and duplicate efforts, and re-prioritize lower priority audit work to allow agencies and OIGs to better support higher priority COVID-19 work.

IV. Adjustments to Current Agency Reporting Deadlines

Agencies must assess the need to adjust existing reporting and audit deadlines over the next 60 days, using a risk-based framework that considers the need to balance existing statutory and regulatory compliance requirements with the surge in new workloads associated with the COVID-19 crisis. Operating in this environment will require the reprioritization of work to continue supporting a more resilient Government and to meet competing demands based on risk-based prioritization. OMB is working with agencies to grant relief from OMB-established deadlines.

The 2014 Federal Information Security Modernization Act (FISMA) fiscal year (FY) 2020 Quarter 2 (Q2) FISMA Chief Information Officer metric collection is paused until further notice.

Additionally, the FY 2020 Quarter 1 (Q1) Quarterly Priority Goal Reporting required by the Government Performance and Results Modernization Act is being merged with the FY 2020 Quarter 2 (Q2) performance update. Agencies and Cross-Agency Priority Goal Teams therefore should update their FY 2020 Q2 Implementation Action Plans to summarize all progress achieved to date, and milestones accomplished through Q2. See OMB Circular A-11, section 200, for the submission and publication timeline for the FY 2020 Q2 Quarterly Performance Update.

Appendix A: Agency Reporting Instructions for COVID-19-Related Funding

This guidance allows agencies and recipients to meet the CARES Act reporting requirements by utilizing, with minimal modifications, existing reporting requirements within agency financial systems and existing reporting processes under the Digital Accountability and Transparency Act (DATA Act). Once agencies have met the requirements described below, information required to be reported by both agencies and recipients should be publicly available on USASpending.gov. OMB does not expect that additional reporting by agencies or recipients should be necessary to meet the requirements of these sections of the statute.

I. Expand Usage of the Disaster Emergency Fund Code (DEFC) for Tracking COVID-19 Supplemental Funding

OCFO will develop the process in the DATA Act repository to accommodate DEFC reporting.

As required by OMB Memorandum [M-18-08](#), “Guidance on Disaster and Emergency Funding Tracking,” agencies track spending of amounts designated in appropriations Acts as emergency or for disaster relief pursuant to section 251 of the 1985 Balanced Budget and Emergency Deficit Control Act, as amended, (BBEDCA) or from accounts that received such amounts via non-expenditure transfer. Agencies report within the Government-wide Treasury Account Symbol Adjusted Trial Balance System (GTAS) a Disaster Emergency Funding Code (DEFC) attribute, either classifying funding as non-emergency or non-disaster designated appropriations, or with a unique DEFC value that OMB provides for other specific appropriation acts and designations.

This guidance amends the requirement in M-18-08 to use a unique DEFC value to include covered funds in the CARES Act that are not designated as emergency pursuant to BBEDCA, to provide similar transparency for CARES Act funding.

Agencies should work with the Office of the Chief Financial Officer (OCFO) to identify situations where a DEFC value cannot be used to track CARES Act spending, or if they identify cases where funding provided in the COVID-19 supplementals are not being centrally tracked.

OCFO will use the following DEFC codes for COVID-19 supplemental funding:

- DEFC "L" - PL 116-123, designated as emergency
- DEFC "M" - PL 116-127, designated as emergency
- DEFC "N" - PL 116-136 (CARES Act), designated as emergency
- DEFC "O" - PL 116-136 (CARES Act), not designated as emergency
- DEFC "Q" - Excluded from tracking, continue to use (non-emergency/non-disaster designated appropriations).

OMB will provide further unique DEFC values for any future COVID-19 relief appropriations designated as emergency or for disaster relief.

II. Extending DEFC Requirements to Data Provided for USASpending.gov

With the inclusion of the DEFC attribute in agency DATA Act reporting, information on covered funds will be available by obligation and expenditure at the award. The DATA Act repository will be modified to allow for expenditure reporting. For agencies with COVID-19 funding outside of FMFI, the reporting file layout will be amended accordingly.

Effective for the June 2020 reporting period, all agencies are required to add the DEFC attribute to Files B and C. In Files B and C, agencies must include the following DEFC domain values in their reporting for the COVID-19 relief emergency supplemental appropriations:

- "L" (Public Law 116-123),
- "M" (Public Law 116-127),
- "N" and "O" (Public Law 116-136). (“N” for funds designated as emergency, “O” for funds not designated as emergency).

Any future COVID-19 relief funding receiving a unique DEFC domain value will be included in the DATA Act submission files. Agencies are not required to supply other DFEC domain values at this time, including "Q" For funding that does not have a COVID-19-related domain value, agencies should report a blank value in the DEFC field. All agencies who have determined they are subject to DATA Act reporting are required to implement the addition of the DEFC attribute for their DATA Act submissions. This includes agencies who have not received COVID-19- related funds.

III. New Monthly and Outlay Reporting Requirements on Financial Data Spending for USASpending.gov

Effective for the June 2020 reporting period, agencies with COVID-19 relief funding must submit DATA Act Files A, B and C on a monthly basis. Files B and C must include all Treasury accounts containing a COVID-19-related DEFC domain value in the USDA's GTAS submission for that period. These submissions must also include a running total of outlays for each award in File C for all records containing a DEFC domain value. This is the "GrossOutlayAmountByAward_CPE" data field in the USDA DATA Act file C. Agencies must now report financial assistance awards (File D2) to USASpending.gov within two weeks of award issuance. Additionally, award descriptions must be in clear, plain language. Monthly submissions of Files A, B and C must be certified by the DATA Act Senior Accountable Official or financial representative designee for COVID-19 related funding. Beginning in FY 2022 Q1, all USDA agencies must begin reporting Files A, B, and C to USASpending.gov on a monthly basis, including outlay data in File C, for all Treasury accounts reportable under DATA Act. OMB is working with the Department of the Treasury to provide more detailed information on broker updates and appropriate user-friendly displays.

IV. Program Activity Reporting

OMB requires agencies to include "Program Activity" in File C for the FY 2021 Q1 submission date. USDA is already compliant with this requirement.

V. Management of Reporting and Data Integrity Risk Related to COVID-19 Response Funding

The quality of the information published on USASpending.gov relies on agencies having effective Internal Controls Over Reporting (ICOR) for the input and validation of the data they submit. Agencies must balance their new objectives under the COVID-19 relief legislation to provide immediate relief with the institutional need to provide complete, accurate, and timely reporting on relief funding. Consistent with the CARES Act and this Memorandum, existing agency data quality procedures, including those in the FAR for procurement, are sufficient for agencies to identify and assess risks to reporting objectives and regulatory requirements over data quality for defined areas, as these risks relate to agency spending data on COVID-19 response and related activities to be reported to USASpending.gov. To that end, and in order to meet the reporting objectives of the CARES Act, agencies should continue to leverage the existing requirements in M-18-16 for USDA's [Data Quality Plan](#) until they expend their funds related to the COVID-19 response.

VI. National Interest Action Code for Procurement

On March 13, 2020, a National Interest Action (NIA) code (P20C) was added to the Federal Procurement Data System to help identify procurement actions related to

COVID-19 response. Agencies are directed to assign this NIA code to all procurement actions reported into FPDS that are issued in response to the pandemic. This includes new awards for supplies and services as well as modifications that are issued to address COVID-19, irrespective of whether the contract being modified was originally awarded to address COVID-19. The code should also be used in connection with any procurement authority, including but not limited to, special emergency procurement authorities identified under FAR Subpart 18.2. (Note: This guidance modifies and supersedes guidance provided in Question 11 of OMB Memorandum M- 20-18, Managing Federal Contract Performance Issues Associated with the Novel Coronavirus (March 20, 2020).)

VII. Agency Requirements to Capture Reporting of Purchase Card Use

Effective with the issuance of this Memorandum, OMB hereby instructs agencies using the General Services Administration's (GSA's) SmartPay® program must identify relevant transactions in their servicing bank's Electronic Access System (EAS) during the reconciliation process by adding "COVID" as the identifier for transactions. Agencies not using an EAS must apply the "COVID" identifier to appropriate transactions in internal systems in anticipation of providing such information as requested by OMB. GSA is developing training and additional instructions to facilitate data capture in anticipation of future reporting.

Questions about this guidance should be directed to Tyson Whitney at tyosn.whitney@usda.gov or at 202-720-8978. Questions regarding the Procurement guidance should be directed to the Office of Contracting and Procurement Policy. Questions regarding performance, evidence and budget should be direct to the Office of Budget and Program Analysis.

cc: Federal Financial Assistance Committee
Federal Financial Assistance Committee Agency Leads
Suspension and Debarment Council