

M-20-20, Repurposing Existing Federal Financial Assistance Programs and Awards to Support the Emergency Response to the Novel Coronavirus (COVID-19)

On April 9, 2020, the U.S. Office of Management and Budget (OMB) issued M-20-20, its third memorandum in a series regarding Federal financial assistance flexibilities related to the COVID-19 crisis. The memorandum "directs all Federal departments and agencies to marshal all legally available federal resources to combat the crisis."

M-20-20 is a class exception that permits federal awarding agencies to "repurpose" federal assistance awards to support the response to COVID-19. As an example, the memorandum suggests that federal awarding agencies should allow grant recipients to donate medical equipment purchased with federal assistance funds to entities serving the public in response to COVID-19, such as hospitals and medical centers. The memorandum notes that the exception extends beyond the donation of medical equipment, to "other resources (such as labor, supplies and contract services)" also funded with federal assistance dollars for purposes of fighting the pandemic.

The memorandum directs federal awarding agencies to engage with legal counsel to ensure any such donation or "repurposing" of federal funds complies with all legal requirements (e.g., appropriations and statutory restrictions) and requires both agencies and recipients to maintain "appropriate records and documentation" regarding the exception. Further, M-20-20 directs federal awarding agencies to advise recipients not to "assume additional funds will be available should the donation or repurposing of funds result in any type of shortage."

For further information about the impact of COVID-19 on federal grant recipients or contractors, please visit our [Government Contracts Blog](#) or contact authors [Robert Tompkins](#), [Christian Nagel](#) or [Kelsey Hayes](#), or another member of our [Government Contracts Group](#).