

CHAPTER 2**REIMBURSABLE AGREEMENT ADMINISTRATIVE PROCEDURES**0201 INTRODUCTION

This chapter issues policy and procedures for administrative financial requirements of all reimbursable agreements.

0202 REIMBURSABLE AGREEMENTS

020201. Reimbursable Agreements shall contain:

A. A citation of legal authority both for performing reimbursable work and for crediting reimbursements to NASA appropriations.

B. A complete description of the work or services to be performed as required in NAI 1050-1, Space Act Agreements Guide and a statement of why the project is being supported.

C. Initiation and completion dates.

D. Estimated cost of the work or services, with a provision that the customer will reimburse NASA for costs incurred that exceed the estimate.

E. The total cost of the agreement, the price to be borne by the customer and the cost, if any, to be borne by NASA,

F. The funding citation for the NASA portion of the work.

G. Identification of the NASA billing organization.

H. Identification of the customer payment office, phone number, address, Reimbursable Agreement Number and any other identifying number, i.e., order number, date of Memorandum of Understanding.

I. For Federal agency customers, the agency's fund citation including the appropriation symbol and expiration date, the customer agency's Treasury Agency Location code (ALC), and its Dun & Bradstreet Universal Numbering System (DUNS) number.

J. If the customer is a Federal agency that has approved billing and collection via Treasury's Intergovernmental Payment and Collection (IPAC) system, the signed agreement must contain the customer's financial information that NASA needs to process the IPAC transactions.

K. For non-Federal customers, the agreement must contain the requirement for advance payment or an approved waiver of the advance payment requirement.

L. Where multi-order agreements are used, individual orders will identify the goods and services ordered, prices, delivery terms, initiation date, and completion date, as appropriate.

020202. BUSINESS RULES

A. Each reimbursable agreement will be assigned a project WBS in accordance Agency policies and procedures for program and project identification. All reimbursable agreements (or stand alone orders under multiple order agreements) must be numbered so that they can be individually identified.

B. Costs are to be recorded in accordance with the full cost requirements of NASA FMR Volume 7, Cost. In addition, the estimated and actual waived cost as well as the estimated and actual customer reimbursement must be documented for each agreement.

C. No commitments or obligations may be established nor costs incurred under a reimbursable agreement until reimbursable agreements are approved and signed by authorized representatives of both NASA and the customer, and the following conditions are met:

1. Formal reimbursable funding authority has been issued to the performing Center(s) through the Fund Control Process contained in FMR Volume 5, "Budget Execution", and

2. If the customer is a non-Federal entity, a cash advance has been received by the Center, except where otherwise authorized by law and approved by the Center CFO, or

3. If the customer is a Federal agency, an advance or funds citation has been provided. Advances may be requested from Federal customers via IPAC for agreements greater than \$1 million dollars. The request for advance billing may be up to 50% of the agreement value.

D. The execution of reimbursable agreements is subject to all of NASA's normal program management, financial management, and procurement procedures. In addition, the following requirements apply to reimbursable agreements:

1. Financial records and reports must be maintained at both the customer order level, as well as the agreement level, to facilitate performance management and financial management.

2. Performance, billings, and closeouts will be executed on a timely basis as specified in the reimbursable agreement and in FMR Volume 6, Chapters 2, 3 and 4.

3. NASA Headquarters and Centers must comply with the intragovernmental transaction data and reconciliation requirements contained in Office of Management and Budget (OMB) Memo M-03-01, "Business Rules for Intragovernmental Transactions".

E. Before each Reimbursable Agreement is approved, the Center CFO will ensure that all of the following requirements are satisfied:

1. The estimated full costs of performing the work are analyzed for each proposed agreement;

2. Where applicable the market based pricing structure established for the Center will be applied to the agreement. The difference between the full cost and the market based price is the waived cost and will be shown in the price adjustment column of the EPR.

3. If the amount of the price adjustment, or proposed cost waiver on a cost based agreement, requires waiving any incremental costs that will be incurred because of the agreement, the Center CFO must obtain alternative funding for the waived incremental cost.

4. The pricing applied to the reimbursable agreement will not result in reimbursable revenue that is in excess of the full cost of providing the work, unless the excess revenue is promptly deposited into Treasury's miscellaneous receipts account.

F. Multiple Order Reimbursable Agreements When a reimbursable Space Act agreement calls for the issuance of multiple individual orders, each order will be treated as a separate agreement for the purposes of costing, pricing, billing and collection. The requirements of this Volume are to be applied to each order as if it were a single stand alone agreement.

020203. Monitoring Controls Internal controls must be established and enforced to prevent the amount chargeable to the customer from exceeding the reimbursement amount specified in the reimbursable agreement. All levels of management involved in the execution of the reimbursable agreement, including but not limited to, the reimbursable project manager, service pool managers, and the Office of the CFO share this responsibility. Reimbursable project costs must be closely monitored so that if needed, additional funding can be requested from the customer before costs in excess of the agreed upon amount are incurred. In addition, controls must be put in place to ensure that amounts collected from reimbursable customers are credited to the NASA appropriation and program year that was used to pay for the work.

0203 ESTIMATED PRICE REPORTS (EPRs)

All proposed agreements forwarded to the Center CFO or Headquarters, Funds Control and Distribution Branch, for concurrence will be accompanied by an EPR showing the estimated cost by cost element. Reimbursable agreements that will be executed by more than one Headquarters office or NASA Center must include supporting schedules that identify the costs to be incurred by each NASA participant. All proposed price adjustments to reach market price, or other waived cost when market pricing is not applicable, must be identified in the Price Adjustment column on the EPR. The requirements for, determining, approving, and documenting the market based level of reimbursement are identified in Chapter 4 of this Volume. A sample of the EPR format is provided as Appendix A of this Volume. The items listed on the sample EPR represent the minimum information that must be documented on the EPR.

0204 ADVANCES RECEIVED

020401. When advances are received from non-Federal reimbursable customers they must be deposited promptly in accordance with the procedures in Chapter 5 of FMR Volume 15, "Cash Management (Disbursing)". Advances from Federal reimbursable customers should be requested via IPAC for deposit to the NASA appropriation being used to execute the work.

020402. Advances Received by NASA Centers All advances received from reimbursable customers, both Federal and non-Federal, must be credited as Advances From Others to the NASA appropriation that is being used to execute the work. Advances from reimbursable customers may not be held in suspense accounts pending performance of the requested work. The only time reimbursable advances may be deposited into a suspense account is when the reimbursable customer agreement cannot be immediately identified. In such cases, the funds must be deposited to the NASA appropriation being used to execute the work within 30 days or the Center CFO must document the reason the advance remains in the suspend account and estimate when the advance will be removed from the suspense account. These requirements apply to all reimbursable advances, including those received at NASA Headquarters.

020403. Advances Received by NASA Headquarters Cash advances received at NASA Headquarters from non-Federal sources must also be deposited promptly in accordance with the procedures in FMR Volume 15, "Cash Management (Disbursing)". In addition, the Headquarters office receiving the advance must contact the performing Center and obtain the identity of the appropriation that will be used to execute the work and deposit the advance to that appropriation.

0205 BILLING AND COLLECTION020501. Billing

A. Billing Frequency As costs are incurred, NASA Centers or the NASA Shared Services Center (NSSC) (when the function is transferred), must bill reimbursable customers monthly. The monthly calculation and processing of a bill is required whether or not an advance has been received. In those cases where an advance has been received, the billing triggers a reduction of the balance in the “Advances from Others” general ledger account in the amount of the bill. Unless specifically called for in the agreement, monthly billing is not required when the amount of the bill is relatively small in relation to the total amount of the agreement and the Center expects additional cost will be recorded. At fiscal year end all unbilled costs that have been posted to the financial records of the reimbursable agreement must be billed regardless of amount. Each bill will show the agreement number and provide other information needed by customer. Collections for cost incurred will be immediately deposited to NASA appropriations. Depreciation charges included in the customer billing must be deposited to the Treasury miscellaneous receipts account (Account 803220, General Fund Proprietary Receipts) when collected.

B. Headquarters Negotiated Reimbursable Agreements In the case of reimbursable agreements negotiated by NASA Headquarters, the NASA Center performing the work is responsible for billing the customer as costs are incurred. When more than one Center is assigned responsibility for portions of a Headquarters negotiated agreement each participating Center will be issued specific reimbursable authority. The Director for Headquarters Operations will be responsible for tracking the financial status of the entire agreement. The Headquarters office that negotiated the agreement will provide the performing Centers copies of the agreement and any applicable supplemental data.

C. Payment Methods NASA Centers should make every effort to have customers submit all payment, including advances, electronically. Chapter 2 of FMR Volume 15 describes the various electronic payment methods that can be used by Federal and non-federal customers.

020502. Recording Collections

A. Agreements with Advances Where money has been collected in advance, the Centers or the NASA Shared Services Center (NSSC) should record the funds as advances received from others. The advance account is liquidated as described in paragraph 020501. above.

B. Agreements Without Advances Where money has not been collected in advance, Centers should bill in accordance with 020501, above, or as specified in the agreement based on costs incurred. Each bill will identify the specific agreement number and be forwarded to the customer in accordance with the instructions

contained in the agreement. For costs incurred at the Center level, collections must be credited to the NASA appropriation that was used to fund the reimbursable work. Amounts collected that represent depreciation charges must be deposited in the Treasury Miscellaneous Receipts Account.

020503. In the case of advance payments or other payments based on estimated price, an additional payment(s) will be requested, or a refund issued, when the actual price is known.

0206 FINANCIAL REPORTING

020601. The financial status of each reimbursable agreement must be available to the Project Manager, as well as the participating service pool managers, within 7 business days after the end of the month so that all needed information is available to support proper management of reimbursable agreements.

020602. The Center CFO is responsible for trading partner reporting information on the status of revenue earned to Federal reimbursable customers on a monthly basis as required by OMB Memo M-03-01, "Business Rules for Intragovernmental Transactions".

020603. A preliminary final bill must be submitted to the reimbursable customer no later than 90 days after the agreement completion date (goods and services are determined completed and delivered to customers or launched as specified in the agreement). The final bill must be submitted to the customer by the end of the month in which the final costs are recorded. No obligation or cost accrual adjustments will be allowed against reimbursable orders after a final bill has been submitted. Any subsequent increases or reductions in total cost of the NASA programmatic funded portion of a reimbursable agreement will be charged or credited to the associated direct program. Increases in total cost of the customer funded portion of a reimbursable agreement will be charged to CM&O. When the price of a reimbursable agreement is based on cost rather than market rates, decreases in the cost of the customer funded portion of the reimbursable agreement must be refunded to the customer if the customer has paid for those costs. All increases or reductions processed after the final bill must be posted to the NASA program year account that was used to perform the rest of the work. As a result, every effort must be made to ensure that all costs or cost adjustments are recorded on a timely basis.

020604. Small amounts do not need to be returned to customers when the Center CFO determines that the cost of processing the refund will exceed the amount of the refund.

020605 Application of Reimbursements Received

A. Receipts from reimbursable work may be credited to NASA appropriations based on the principle that actual costs have increased, directly or indirectly to NASA as a result of the reimbursable work. Receipts from reimbursable work may only be credited to the fiscal year appropriation from which the cost of providing the service was paid. Otherwise receipts should be credited to "Miscellaneous Receipts" U.S. Treasury. The following must be considered in making this determination:

1. In cases where the NASA appropriation includes specific funding to support the reimbursable work NASA cannot retain funds received from customers for this work.

2. NASA must be assured that funds received represent reasonable compensation for costs incurred. Any reimbursement received in excess of the actual full cost incurred must be returned to the customer. The only exception to this would be agreements with non-federal customers where NASA charges market price and the market price exceeds NASA's full cost. In that situation the reimbursement received that exceeds full cost must be deposited to the Treasury Miscellaneous Receipts Account, unless specific legislation authority, such as the Enhanced Use Lease Demonstration authority, permits retention by the Agency.

B. Appropriation Augmentation NASA's reimbursable budget authority is approved by Congress incident to the Agency's request in the President's annual budget. This reimbursable authority is not the same as direct budget authority. Reimbursable budget authority is authority to enter into reimbursable agreements with other entities and accept funding from other entities as reimbursement for the cost of services rendered or goods provided. Reimbursable work involves the receipt of funds from sources other than NASA's direct appropriations and crediting them to NASA appropriations. In addition, NASA must limit any reimbursements it credits to its appropriation to the actual full cost of the work or service performed. In some cases, funds received as the result of reimbursable work may not be deposited to one of NASA's appropriations and may have to be deposited to U.S. Treasury Miscellaneous Receipts account.