

Grants and Research during the COVID-19 Pandemic

Version 1.0

June 2021

Below is a list of frequently asked questions (FAQ) relating to NASA's implementation of OMB Memorandum M-21-20, "Promoting Public Trust in the Federal Government through Effective Implementation of the American Rescue Plan Act and Stewardship of the Taxpayer Resources," Appendix 3, "Disaster Relief Flexibilities to Reduce Burden for Financial Assistance," (March 19, 2021) for both proposers and recipients impacted by the COVID-19 crisis.

1. Can universities pay soft-money researchers from NASA grants while the labs are closed?

On September 29, 2020, NASA released Grant Notice [\(GN\)-20-02](#), "*Guidance Regarding Salary Flexibility for Grant Recipients Impacted by COVID-19*." Per the guidance, recipients in need of salary flexibilities shall submit their requests stating that they have experienced a loss of operational capacity due to the COVID-19 pandemic and that they need to charge salaries or benefits to an active NASA award consistent with their policies for paying salaries under unexpected or extraordinary circumstances. Recipients may also request to incur costs related to resuming activities supported by the award, consistent with applicable Federal cost principles and the benefit to the project. The request must include the award number, how long they need the flexibility to be extended, and their plans to resume activities after the extended flexibility expires. Recipients must first exhaust other available funding sources to sustain its workforce and implement necessary steps to save overall operational costs (such as rent renegotiations). Recipients shall retain appropriate records and documentation of their efforts to exhaust other funding sources, including the efforts to reduce overall operation costs. Recipients are encouraged to submit their requests to utilize this flexibility as soon as possible, and may take advantage of this flexibility and incur costs prior to obtaining NASA's prior written approval. However, any costs incurred under this flexibility without NASA prior written approval are incurred at the recipient's own risk. That is, if a recipient incurs costs under this flexibility prior to obtaining NASA's approval, and NASA ultimately denies the request, then the recipient shall not charge the costs incurred to the NASA award.

Note: NASA will not provide funds in addition to those already obligated to an award if the implementation of this flexibility will result in a lack of award funds necessary to achieve the project's objectives.

2. What is the process for issuing incremental funding? How will funding increases be addressed when work has not been able to proceed? No-cost extensions (NCEs) are not enough due to paying individuals to maintain lab capability during closures.

NASA's process for issuing incremental funding is outlined in Section 5.12 of the NASA Grant and Cooperative Agreement Manual ([GCAM](#)) and will continue to apply. NASA programs may utilize the salary flexibility as stated in the response above to allow costs associated with resuming funded grant activities to be charged to currently active grants; however, the decision of whether to provide additional funding for awards impacted by COVID-19 will be made on a program-by-program basis, and award recipients shall not assume that the additional funding will cover funding losses associated with the COVID-19 crisis. Recipients shall document and maintain records to substantiate the charging of any salaries and other project activity costs related to interruption of operations or services. In addition to maintaining records and documentation as required by 2 CFR § 200.302, Financial management, and 2 CFR § 200.334, Retention requirements for records, all expenditures incurred specifically due to COVID-19 must be documented as such.

3. How will unreleased grant funding be impacted?

There is no anticipated interruption of grant processing at this time.

4. Personal Protective Equipment (PPE) and viral DNA isolation kits were purchased using grant funding. Can supplies and equipment be donated to hospitals, medical centers, and other local entities serving the public for the COVID-19 response?

No. The flexibility allowing equipment, supplies, and other award-funded resources to be donated to entities responding to COVID-19 was rescinded by OMB Memorandum [M-20-26, \(June 16, 2020\)](#).

5. Can other resources, such as labor or contract services, be donated to support the COVID-19 response?

No. The flexibility allowing equipment, supplies, and other award-funded resources to be donated to entities responding to COVID-19 was rescinded by OMB Memorandum [M-20-26, \(June 16, 2020\)](#).

6. Can an award be repurposed to support the COVID-19 response? What is an example of a repurposed award?

No. The flexibility allowing awards to be repurposed in response to COVID-19 was rescinded by OMB Memorandum [M-20-26,\(June 16, 2020\)](#).

7. How will NASA programs address funding opportunity due dates and proposals submitted late due to the COVID-19 crisis?

On a program-by-program basis, NASA may extend the deadlines for specific funding opportunities *or* may allow proposals started before the due date but submitted after the

due date as a result of the COVID-19 crisis to be considered for funding. All funding opportunities and their current due dates can be found on the NASA Solicitation and Proposal Integrated Review and Evaluation System (NSPIRES) and Grants.gov. If a current funding opportunity deadline remains unchanged and a proposer cannot meet that deadline due to COVID-19, then the proposer should contact the cognizant NASA program office point of contact (POC) listed in the Notice of Funding Opportunity (NOFO) to discuss the concern.

8. Can fringe benefits policies be amended to incorporate emergency paid leave for staff retention purposes?

Recipients may continue to charge salaries and benefits to currently active Federal awards consistent with 2 CFR § 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, the recipient organization's policies for paying salaries (under unexpected or extraordinary circumstances) from all funding sources, Federal and Non-Federal, and NASA's salary flexibility guidance outlined in [GN-20-02](#), "*Guidance Regarding Salary Flexibility for Grant Recipients Impacted by COVID-19*" (September 29, 2020). Recipients shall document and maintain records to substantiate the charging of any salaries and other project activities costs related to interruption of operations or services. In addition to maintaining records and documentation as required by 2 CFR § 200.302, Financial management, and § 200.334, Retention requirements for records, all expenditures incurred specifically due to COVID-19 must be documented as such.

9. Is there a limitation on when salaries and benefits can be charged to an award?

If salaries and benefits are budgeted items of an award, then any individual budgeted to perform activities under that award is allowed to charge their salary and benefits to the award as long as there is funding available *and* as long as it is consistent with the entity's policy for paying salaries and NASA's guidance on salary flexibility. The recipient must also document and maintain records to substantiate the charging of any salaries and other project activities costs related to interruption of operations or services due to COVID-19.

10. Does NASA plan to address changes to indirect cost rates that may have occurred because of increased costs in certain activities?

No, recipients may continue to use the currently approved indirect cost rates (i.e., predetermined, fixed, or provisional rates) to recover their indirect costs on Federal awards. Agencies may approve grantee requests for an extension on the use of the current rates for one additional year without submission of an indirect cost proposal. Agencies may also approve grantee requests for an extension of the indirect cost rate proposal submission to finalize the current rates and establish future rates.

11. What is NASA’s guidance for entities whose System for Award Management (SAM) registration have expired or set to expired in 60 days?

Current registrants in the System for Award Management (SAM) with active registrations expiring between April 1, 2021, and September 30, 2021, will automatically be afforded a one-time extension of 180 days (i.e., six months).

12. What is NASA’s guidance for entities who have not submitted their single audits due to the pandemic?

Recipients and subrecipients that have not yet filed their single audits with the Federal Audit Clearinghouse as of March 19, 2021, and have fiscal year-ends through June 30, 2021, may delay the completion and submission of the Single Audit reporting package, as required under Subpart F of 2 CFR § 200.501, Audit requirements, for up to six (6) months beyond the regular due date.

The following table identifies the extended due dates allowed under OMB Memo M-21-20 Appendix 3 (March 19, 2021) for the applicable fiscal year end:

Fiscal Year End	Regular Due Date	Extended Due Date
June 30, 2020	March 31, 2021	September 30, 2021
July 31, 2020	April 30, 2021	October 31, 2021
August 31, 2020	May 31, 2021	November 30, 2021
September 30, 2020	June 30, 2021	December 31, 2021
October 31, 2020	July 31, 2021	January 31, 2022
November 30, 2020	August 31, 2021	February 28, 2022
December 31, 2020	September 30, 2021	March 31, 2022
January 31, 2021	October 31, 2021	April 30, 2022
February 28, 2021	November 30, 2021	May 31, 2022
March 31, 2021	December 31, 2021	June 30, 2022
April 30, 2021	January 31, 2022	July 31, 2022
May 31, 2021	February 28, 2022	August 31, 2022
June 30, 2021	March 31, 2022	September 30, 2022

13. Does the relief identified in OMB Memo M-21-20 Appendix 3 (March 19, 2021) flow down to subawards or subcontracts issued under a NASA grant or cooperative agreement?

The flexibilities in M-21-20 Appendix 3 and NASA’s subsequent policy document (i.e., GN 20-02, “*Guidance Regarding Salary Flexibility for Grant Recipients Impacted by COVID-19*,” (September 29, 2020)) adopting the flexibilities in OMB Memorandum M-21-20 (March 19, 2021) are changes to 2 CFR § 200. Given that 2 CFR § 200 only applies to grants and cooperative agreements, these flexibilities do not flow down to *subcontracts* issued under grants or cooperative agreements. Rather, the flexibilities only apply to grants and cooperative agreements awarded by NASA, and to subawards issued under NASA grants or cooperative agreements.