

June 23, 2020

NASA Implementation of OMB Memorandum M-20-26

In April 2020, NASA adopted the administrative flexibilities outlined in Office of Management and Budget (OMB) memoranda M-20-17 and M-20-20. Memorandum M-20-17 provided 13 flexibilities that applied to all Federal award recipients affected by COVID-19 (both recipients with COVID-19 related awards and other types of Federal awards). Memorandum M-20-20 allowed Federal agencies to repurpose their awards, in whole or in part, to support the COVID-19 response, consistent with applicable laws.

On June 18, 2020, OMB issued memorandum M-20-26, which states that all flexibilities in M-20-17 and M-20-20 expired on June 16, 2020. Moreover, it states that the administrative flexibilities in M-20-11 will expire on July 26, 2020. NASA did not previously release policy adopting the flexibilities in M-20-11 as that memorandum narrowly focused only on COVID-19 related awards, and NASA's adoption of M-20-17 applied flexibilities to *all* awards.

Due to the uncertainty of the re-opening phase, M-20-26 provides an extension of the "Allowability of salaries and other project activities" flexibility through September 30, 2020, and the "Extension of Single Audit submission" flexibility through December 31, 2020. This will allow for a responsible transition to normal operations. Because of the limited funding resources provided for each Federal award to achieve its own performance goals, OMB has added restrictions to the flexibilities allowed in "Allowability of salaries and other project activities."

NASA's guidance herein adopts the OMB's flexibilities outlined in M-20-26. NASA also adopts the flexibilities in M-20-11, which apply only to COVID-19 emergency response awards, because the broader, agency-wide flexibilities in M-20-17 have been rescinded. Appendix A describes the two flexibilities that have been extended under M-20-26 to all award recipients affected by the loss of operational capacity due to COVID-19. Appendix B describes the flexibilities in M-20-11 that NASA is now adopting, and these flexibilities apply only to awards issued to carry out the emergency response related to COVID-19. Appendix C lists all of the flexibilities that have been rescinded.

The flexibilities outlined below are applicable to subawards issued on NASA prime awards. These flexibilities do not apply to subcontracts issued on NASA prime awards as subcontracts are regulated by the Federal Acquisition Regulations (FAR), not 2 CFR 200. Note that the term "award" means "grants" and "cooperative agreements", and "subaward" means "sub-grant" and "sub-cooperative agreement" throughout this document.

Although many agency-wide administrative flexibilities have expired, NASA continues to have the authority to issue exceptions on a case-by-case basis in accordance with 2 CFR 200.102 Exceptions. All OMB memoranda released in 2020 can be found [here](#).

Appendix A: Extended Administrative Flexibilities

The two flexibilities described below apply to all NASA grants and cooperative agreements (both COVID-19 related awards and other types of awards). NASA is required to maintain records on the level of particular exceptions provided to award recipients. All award recipients exercising these flexibilities must maintain appropriate records and documentation to support their charges against their NASA awards.

1. Allowability of Salaries and Other Project Activities. (2 CFR § 200.403, 2 CFR § 200.404, 2 CFR § 200.405) - Expires September 30, 2020

NASA award recipients may continue to charge salaries and benefits to active awards consistent with the recipients' policy of paying salaries (under unexpected or extraordinary circumstances) from all funding sources, Federal and non-Federal. Recipients may also charge costs to awards necessary to resume activities supported by the award, consistent with applicable Federal cost principles and the benefit to the project. NASA may also evaluate award recipients' 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 recipient. Recipients must not assume that supplemental funding in addition to the funding already obligated on their award will be available should the charging of such costs or other fees result in a shortage of funds to eventually carry out the project. If a shortfall is anticipated, recipients must contact the cognizant NASA Grant Officer to discuss the situation. Under this flexibility, payroll costs paid with the Paycheck Protection Program (PPP) loans or any other Federal CARES Act programs must not also be charged to current NASA awards as it would result in the Federal government paying for the same expenditures twice.

Recipients are required to maintain appropriate records and cost documentation as required by 2 CFR § 200.302 -Financial management and 2 CFR § 200.333 - Retention requirement of records to substantiate the charging of any salaries and other project activities costs related to interruption of operations or services. Due to the limited funding resources under each federal award to achieve its specific public program goals, recipients must exhaust other available funding sources to sustain its workforce and implement necessary steps to save overall operational costs (such as rent renegotiations) during this pandemic period in order to preserve Federal funds for the ramp-up effort. Recipients must retain documentation of their efforts to exhaust other funding sources and reduce overall operational costs. When salaries and other project activities are charged to an award as a result of the COVID-19 crisis, the award recipient must notate in their records that the expense was incurred for this reason.

2. Extension of Single Audit Submission and COVID-19 Emergency Acts Fund Reporting. (2 CFR § 200.512) – Expires December 31, 2020.

Recipients and subrecipients that have not yet filed their single audits with the Federal Audit Clearinghouse as of March 19, 2020, that have normal due dates from March 30, 2020, through June 30, 2020, may delay the completion and submission of the Single Audit reporting package, as required under Subpart F of 2 CFR § 200.501 -Audit Requirements, up to six (6) months beyond the normal due date. Audits with normal due dates from July 31, 2020 through September 30, 2020

will have an extension of three (3) months beyond the normal due date. No further action by NASA is required to enact this extension. This extension does not require individual recipients and subrecipients to seek approval for the extension by NASA; however, recipients and subrecipients should maintain documentation of the reason for the delayed filing. Recipients and subrecipients taking advantage of this extension would still qualify as a "low-risk auditee" under the criteria of 2 CFR § 200.520 (a) Criteria for a low-risk auditee.

Additionally, in order to provide adequate oversight of the COVID-19 Emergency Acts funding and programs, recipients and subrecipients must separately identify the COVID-19 Emergency Acts expenditures on the Schedules of Expenditures of Federal Awards and audit report findings.

Appendix B – Adoption of M-20-11 Flexibilities

Given that OMB memorandum M-20-17 has been rescinded, NASA is adopting several flexibilities allowed under memorandum M-20-11 that we did not previously adopt in order to provide relief to recipients with awards intended to support the COVID-19 emergency response. The flexibilities described below apply only to COVID-19 emergency response awards, and the flexibilities will expire on **July 26, 2020**.

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

NASA does not adopt the flexibility allowing agencies to relax requirements for active SAM.gov registration at the time of application. Additionally, automatic SAM.gov re-registration is no longer applicable as the General Services Administration was only initiating automatic SAM.gov registration renewals for those accounts with expiration dates between March 19 and May 17, 2020. Recipients must now re-register in SAM.gov according to standard procedures.

2. Waiver for Notice of Funding Opportunities (NOFOs) Publication. (2 CFR § 200.203)

For competitive grants and cooperative agreements, NASA can publish emergency Notice of Funding Opportunities (NOFOs) to NSPIRES and Grants.gov for less than thirty (30) days without separately justifying the shortening of the submission timeframe for the NOFO. NASA program offices that publish NOFOs for less than thirty (30) days must document and track each NOFO that is published under this emergency waiver.

3. Pre-award costs (2 CFR § 200.209)

NASA does not adopt this flexibility. The regulations in 2 CFR § 1800.209 Pre-award costs and the NASA Grant and Cooperative Agreement Manual (GCAM) apply to all awards.

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

The GCAM already provides for flexibilities in initiating first time no-cost extensions. Recognizing this, NASA has not fully adopted the OMB's guidance in M-20-11 related to no-cost extensions. NASA and award recipients should follow standard policies and procedures specified in the GCAM, Section 6.4 and Appendix D3 - Extensions, and applicable award terms and conditions regarding submission of grantee-initiated no-cost extensions. If a recipient has already initiated a one-time no-cost extension per the GCAM, and they require an additional no-cost extension due to the COVID-19 crisis, then they may initiate an additional no-cost extension for any length of time not to exceed 12 months. All no-cost extension requests must be submitted by the recipient using the NASA Shared Services Center's (NSSC) request submission website, which is located at <https://www.nssc.nasa.gov/nocostextension>. Additionally, no-cost extension requests must be submitted at least ten (10) days prior to and no more than 60 days before the expiration of their award; requests are not allowed to be submitted more than 60 days prior to the end of an award's period of performance. The technical officer will be notified by the NSSC of all no-cost

extension requests submitted via this website. Upon approval of the no-cost extension, recipients will be issued an updated NASA Grant and Cooperative Agreement form.

5. Abbreviated continuation requests. (2 CFR § 200.308)

The NASA GCAM and Guidebook for Proposers provides for flexibilities when requesting award continuations. Recognizing this, NASA has not fully adopted the OMB's guidance in M-20-11. NASA and award recipients should follow standard policies and procedures specified in the GCAM, Section 5.6; the NASA Guidebook for Proposers, Appendix F; and applicable award terms and conditions regarding the submission of continuation requests on multiple-year awards.

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

See Appendix A, item 1.

7. Prior approval requirement waivers. (2 CFR § 200.407)

NASA is waiving the requirement that recipients obtain prior approval for the majority of the cost elements and activities listed under [2 CFR 200.407](#). This includes waiving the requirement that award recipients obtain prior approval for budget revisions or budget realignments per 2 CFR 200.308.

The only prior approval requirements that have not been waived are the following:

- 2 CFR 200.308(c)(1)(i): Change in the scope or the objective of the project or program.
- 2 CFR 200.308(c)(1)(ii): Change in a key person specified in the application or the Federal award.
- 2 CFR 200.308(c)(1)(vi): Unless described in the application and funded in the approved Federal awards, the subawarding, transferring or contracting out of any work under a Federal award, including fixed amount subawards as described in §200.332 Fixed amount subawards. This provision does not apply to the acquisition of supplies, material, equipment or general support services.
- 2 CFR 200.308(c)(1)(vii): Changes in the approved cost-sharing or matching provided by the award recipient.

Additionally, for research awards, the prior approvals specified in the Research Terms and Conditions Prior Approval Matrix (<https://www.nsf.gov/awards/managing/rtc.jsp>) continue to apply, unless waived above. Recipients are reminded that they are to ensure that all costs charged to Federal awards must be consistent with Federal cost policy guidelines and the terms of the award, except as specified in this guidance. When applicable, prior approvals must come from an award's cognizant NASA Grant Officer.

8. Exemption of certain procurement requirements. (2 CFR § 200.319, 2 CFR § 200.321)

NASA has waived the procurement requirements contained in 2 CFR § 200.319(b) regarding geographical preferences and 2 CFR § 200.321 regarding contracting with small and minority businesses, women's business enterprises, and labor surplus area firms.

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

Recipients may submit financial, performance, and other reports up to three (3) months beyond the normal due date. If recipients expect that they will not be able to meet a normal report due date, they must notify their cognizant program office and Grant Officer and note when within the three (3) month extension window they will submit their report(s). Recipients must continue to notify their cognizant program office and Grant Officer of any problems, delays, or adverse conditions which will materially impair the ability to meet the objective of the award per 2 CFR § 200.328(d)(1). Please note that the NSSC will continue to issue automatic report deadline reminders based on standard reporting due date; if a recipient notifies their Grant Officer that they need a report deadline extension per the above guidance, then these automatic report reminders may be disregarded.

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

See appendix A, item 2.

Appendix C – Rescinded Flexibility Guidance

The previous NASA guidance adopting flexibilities from memoranda M-20-17 and M-20-20 listed below have expired. Note that several of the rescinded flexibilities listed below are still applicable to only COVID-19 emergency response awards (See Appendix B).

M-20-17 Flexibilities

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

Current registrants in the System for Award Management (SAM) with active registrations expiring between March 19 and May 17, 2020, will be automatically afforded a one-time extension of 60 days. The General Services Administration (GSA) has initiated 60-day extensions to SAM.gov registrations that have expiration dates within this range, and it will take the GSA until March 28, 2020 to complete all extensions. This effort is intended as relief for those otherwise required to re-register during that time frame.

2. Flexibility with application deadlines. (2 CFR § 200.202)

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, and if a program chooses to extend a funding opportunity due date, then the new due date will be reflected in these systems. 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 to seek additional guidance.

3. Waiver for Notice of Funding Opportunities (NOFOs) Publication. (2 CFR § 200.203)

For competitive grants and cooperative agreements, NASA can publish emergency Notice of Funding Opportunities (NOFOs) to NSPIRES and Grants.gov for less than thirty (30) days without separately justifying the shortening of the submission timeframe for the NOFO. NASA program offices that publish NOFOs for less than thirty (30) days must document and track each NOFO that is published under this emergency waiver.

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

The NASA Grant and Cooperative Agreement Manual (GCAM) already provides for flexibilities in initiating first time no-cost extensions. Recognizing this, NASA has not fully adopted the OMB's guidance in M-20-17 related to no-cost extensions. NASA and award recipients should follow standard policies and procedures specified in the GCAM, Section 6.4 and Appendix D3 - Extensions, and applicable award terms and conditions regarding submission of grantee-initiated no-cost extensions. If a recipient has already initiated a one-time no-cost extension per the GCAM, and they require an additional no-cost extension due to the COVID-19 crisis, then they may initiate

an additional no-cost extension for any length of time not to exceed 12 months. All no-cost extension requests must be submitted by the recipient using the NASA Shared Services Center's (NSSC) request submission website, which is located at <https://www.nssc.nasa.gov/nocostextension>. Additionally, no-cost extension requests must be submitted at least ten (10) days prior to and no more than 60 days before the expiration of their award; requests are not allowed to be submitted more than 60 days prior to the end of an award's period of performance. The technical officer will be notified by the NSSC of all no-cost extension requests submitted via this website. Upon approval of the no-cost extension, recipients will be issued an updated NASA Grant and Cooperative Agreement form.

5. Abbreviated continuation requests. (2 CFR § 200.308)

The NASA GCAM and Guidebook for Proposers provides for flexibilities when requesting award continuations. Recognizing this, NASA has not fully adopted the OMB's guidance in M-20-17. NASA and award recipients should follow standard policies and procedures specified in the GCAM, Section 5.6; the NASA Guidebook for Proposers, Appendix F; and applicable award terms and conditions regarding the submission of continuation requests on multiple-year awards.

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

Recipients are authorized to continue to charge salaries and benefits to currently active NASA awards consistent with the recipients' policy of paying salaries (under unexpected or extraordinary circumstances) from all funding sources, Federal and non-Federal. Recipients are also authorized to charge other costs to NASA awards that are necessary to resume activities supported by the award, consistent with applicable Federal cost principles and the benefit to the project. *Recipients must not assume that supplemental funding in addition to the funding already obligated on their award will be available should the charging of such costs or other fees result in a shortage of funds to eventually carry out the project.* If a shortfall is anticipated, recipients must contact the cognizant NASA Grant Officer to discuss the situation. NASA will evaluate the grantee's ability to resume the project activity in the future and the appropriateness of future funding, as done under normal circumstances, based on subsequent project reports and other communications with the recipient. Recipients are required to maintain appropriate records and cost documentation as required by 2 CFR § 200.302 – *Financial management* and 2 CFR § 200.333 - *Retention requirement of records* to substantiate the charging of any salaries and other project activities costs related to the interruption of operations or services. When salaries and other project activities are charged to an award as a result of the COVID-19 crisis, the award recipient must notate in their records that the expense was incurred for this reason.

7. Allowability of Costs not Normally Chargeable to Awards. (2 CFR § 200.403, 2 CFR § 200.404, 2 CFR § 200.405)

Recipients who incur costs related to the cancellation of events, 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, are authorized to charge these costs to their award without regard to 2 CFR § 200.403, *Factors affecting allowability of costs*, 2 CFR § 200.404, *Reasonable costs*, and 2 CFR § 200.405, *Allocable costs*. Recipients may charge the full cost to

the award when the event, travel, or other activities is conducted under the auspices of the grant. *Recipients must not assume that supplemental funding in addition to the funding already obligated on their award will be available should the charging of cancellation or other fees result in a shortage of funds to eventually carry out the event or travel.* If a shortfall is anticipated, recipients must contact the cognizant NASA Grant Officer to discuss the situation. Recipients are required to maintain appropriate records and cost documentation as required by 2 CFR § 200.302 – *Financial management* and 2 CFR § 200.333 - *Retention requirement of records*, to substantiate the charging of any cancellation or other fees related to the interruption of operations or services. When cancellation or other fees are charged to an award as a result of the COVID-19 crisis, the award recipient must note in their records that the expense was incurred for this reason.

8. Prior approval requirement waivers. (2 CFR § 200.407)

NASA is waiving the requirement that recipients obtain prior approval for the majority of the cost elements and activities listed under [2 CFR 200.407](#). This includes waiving the requirement that award recipients obtain prior approval for budget revisions or budget realignments per 2 CFR 200.308.

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

Recipients may continue to use the currently approved indirect cost rates (i.e., predetermined, fixed, or provisional rates) to recover their indirect costs on NASA awards. Recipients may request an extension on the use of the current rates for one additional year without submission of an indirect cost proposal. Recipients also may submit a request to its cognizant agency for an extension of the indirect cost rate proposal submission to finalize the current rates and establish future rates.

12. Extension of closeout. (2 CFR § 200.343)

NASA is not adopting this flexibility. Award recipients must continue to adhere to the final report guidance and submission due dates set forth in the NASA GCAM, the NASA Guidebook for Proposers, and award terms and conditions.

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

Recipients and subrecipients that have not yet filed their single audits with the Federal Audit Clearinghouse as of the date of the issuance of the OMB Memorandum and that have fiscal year-ends through June 30, 2020, are authorized to delay the completion and submission of the Single Audit reporting package, as required under Subpart F of 2 CFR § 200.501 – *Audit Requirements*, to six (6) months beyond the normal due date. No formal approval for this extension is required; however, recipients and subrecipients must maintain documentation of the reason for the delayed filing. Recipients and subrecipients who currently qualify as a “low-risk auditee” under the criteria of 2 CFR § 200.520(a), and who take advantage of this extension will continue to qualify as a “low-risk auditee”, absent other reasons for a change in qualification.

M-20-20 Flexibilities

NASA has adopted the guidance in M-20-20 to implement the class exception that allows Federal awarding agencies to repurpose their Federal assistance awards (in whole or part) to support the COVID-19 response, as consistent with applicable laws. As an example of this flexibility, award recipients are authorized, as specified below, to donate medical equipment (including, but not

limited to, personal protective equipment, medical devices, medicines, and other medical supplies) purchased with NASA funds to hospitals, medical centers, and other local entities serving the public for the COVID-19 response. This class exception also extends to the donation of other resources (such as labor, supplies, and contract services) funded under NASA awards to support COVID-19 emergency response activities. Direct cash donations are not authorized.

On March 26 and April 7, 2020, NASA issued guidance to allow recipients to donate supplies and equipment to support the COVID-19 response with Technical Officer prior approval. NASA's adoption of M-20-20 does not change the previous guidance, but it does expand the types of resources that may be donated from just supplies and equipment to supplies, equipment, labor, contract services, and other award-funded resources that the recipient may deem beneficial to supporting the COVID-19 response. The adoption of M-20-20 also allows for awards to be repurposed to support the COVID-19 response.

Prior to the donation of labor and contract services, recipients must submit a request and obtain approval from their cognizant NASA Technical Officer who will consult with the Office of the General Counsel (OGC). Each request should specify the items or resources to be donated and any anticipated impacts of the donation on the scope of the project. By submitting a request, the recipient is certifying that the equipment, supplies, etc., is being donated to a hospital, medical center, or other local entity serving the public for the COVID-19 response.

Prior to the repurposing of an award – which requires a significant change in award objectives or scope – to support the COVID-19 response, the recipient must obtain prior approval from their cognizant Grant Officer and Technical Officer, who will consult with OGC, to allow a change to their objectives or scope. The recipient must also document and maintain records on all resources donated in response to COVID-19. Recipients must not assume that supplemental funding in addition to the funding already established for their award will be available should the repurposing of their award result in a shortage of funds to eventually carry out the original purpose of the award.

On the 15th and 30th of each month, NASA program offices are required to submit a bi-monthly report on donated resources to the Chief of Grants Policy and Compliance, Antanese Crank in the Office of the Chief Financial Officer, Grants Policy and Compliance Branch (GPC). NASA program offices must provide a report that includes a list of the donated resources, the quantity of each resource, and the award number on which the items were originally purchased. Negative reports are not required. GPC will share this data with the NASA Shared Services Center's (NSSC) grants team for their records and will use this data to respond to future data calls, should they occur. Should a Grants Officer and/or Technical Officer have any questions about compliance with the purpose of appropriations and any restrictions in programmatic statutes, appropriations, or fiscal laws, they should contact NASA's Office of the General Counsel for further guidance.