

Memorandum of Agreement
between the
National Aeronautics and Space Administration
and the
Office of Naval Research
for
Administration Services to be provided to NASA by ONR

1. Purpose:

This agreement between the Office of Naval Research (ONR) and the National Aeronautics and Space Administration (NASA) establishes policies and procedures under which ONR will provide administrative services in support of NASA grants, cooperative agreements, and contracts awarded to educational and nonprofit organizations. Reimbursement for ONR support will be provided on a predetermined fixed annual amount basis for the term of this agreement. See NASA/DoD Agreement for Performance of Contract Administration and Contract Audit Services.

2. Authority:

National Aeronautics and Space Act, as amended; 51 U.S.C. § 20113 (f)

3. Scope:

A. Current Award Delegations

ONR will continue to provide the post award administration functions delegated for all existing awards until all delegated functions have been completed. This includes contracts with Quality Assurance Delegations.

B. New Award Delegations issued after execution of this MOA

ONR will perform the following functions as requested by NASA in a letter of delegation of authority on individual awards or mutually acceptable electronic equivalent:

1. Property Administration and Plant Clearance

ONR will perform the following property administration functions for delegated awards with NASA owned property. As part of each delegation, NASA will provide ONR a copy of the grant, modifications, and any relevant property documentation.

- Obtain annual property reports and verify in NASA's Electronic Submission System (NESS)
- Obtain and review final inventory reports

- Obtain and review reports of loss, damage, or theft of NASA owned property and forward to the Center Industrial Property Officer (IPO)
- Perform required screening and disposition of property
- Upon completion of property administration/plant clearance for an award, forward DD 1593 to the NASA Grant Officer (usually located at the NASA Shared Services Center (NSSC)) and to the IPO
- Include NASA property in Property Management System Analyses (PMSAs) and provide them to the applicable Center IPO.

2. System Reviews

Each year ONR will send NASA a list of planned onsite Contractor Purchasing System Reviews (CPSRs) and Property Management System Analyses (PMSAs). NASA Headquarters (Contract Management Division) will identify awards for onsite review at any of the scheduled locations and provide a copy of each grant, all modifications, and proposal budgets. ONR will review the accounting records to determine if unauthorized property may have been acquired and advise NASA of the results.

3. Quality Assurance/Engineering Support/Safety Engineering

ONR will perform Quality Assurance and Technical Support for delegated NASA contracts and grants in accordance with individual award delegations, NASA Form 1430A.

4. Audit

ONR will request audits of awards selected by NASA to determine if the costs incurred were reasonable, allocable, and allowable. ONR will review the audit reports, fact find with the institution and provide recommendations for resolution to the NASA Grant Officer.

- a) ONR will include the following NASA awards in its annual government fiscal year audit requirements planning, beginning with government fiscal year (GFY) 2012, and identify NASA awards selected for audit:
 - i. NASA will provide ONR a list of all NASA awards issued to an educational or nonprofit organization during GFY 2006-2011. Awards that have ended in the most recent completed government fiscal year will be included in ONR's annual audit requirements planning, beginning with GFY 2012. NASA will identify awards from this list for audit. ONR will request the audits, review the reports, fact find with the institution and provide recommendations for resolution to the NASA Grant Officer after the award is delegated to ONR.
 - ii. NASA awards issued to an educational or nonprofit organization on or after October 1, 2011 shall be delegated to ONR for "audit" via NASA Form 1674.

Awards in this category will be included in ONR's annual audit requirements planning, beginning with GFY 2013. NASA will identify awards from this list for audit. ONR will request the audits, review the reports, fact find with the institution and provide recommendations for resolution to the NASA Grant Officer.

- iii. Total NASA awards recommended for cost incurred audits will not exceed twenty-five (25) per government fiscal year.
- b) ONR will provide NASA a summary of our audit requirements planning which will include, by GFY, a list of NASA awards selected for audit.

5. Audit resolution of A-133 findings

When delegated, ONR will assist in resolution of A-133 audit findings which identify unallowable costs to the NASA award. ONR will review the finding(s), identify the applicable NASA Center, fact find with the institution, and provide recommendations for resolution to the NASA Grant Officer.

- a) For NASA awards issued to an educational or nonprofit organization during GFY 2006-2011 ONR will assist in resolution of A-133 audit findings which identify unallowable costs to the NASA award. After NASA delegates the award to ONR for "Audit Resolution of A-133 Findings" via NASA Form 1674, ONR will review the finding, fact find with the institution, and provide recommendations for resolution to the NASA Grant Officer after the award is delegated to ONR.
- b) All NASA awards issued to an educational or nonprofit organization on or after October 1, 2011 shall be delegated to ONR for "Audit Resolution of A-133 Findings" via NASA Form 1674. ONR will assist in resolution of A-133 audit findings which identify unallowable costs to the NASA award. ONR will review the finding, fact find with the institution, and provide recommendations for resolution to the NASA Grant Officer.
- c) Cross-cutting Systemic Findings – ONR will coordinate management decision resolution of cross-cutting systemic findings with NASA at educational and nonprofit organizations assigned to DoD audit cognizance or oversight.

C. Indirect Cost Rate and Cost Accounting Standards (CAS) & Disclosure Statement Administration (DS-1) Administration Delegations at Nonprofit Organizations

- 1. When NASA is the cognizant agency for negotiation and approval of indirect cost rates for nonprofit organizations in accordance with 2 CFR Part 230 (OMB Circular A-122), NASA will issue a Letter of Cognizance assignment to ONR for negotiation and approval of indirect cost rates. ONR will administer the nonprofit organization's

indirect cost rates in accordance with the provision of OMB Circular A-122. The NASA Grants Officer will include with the Letter of Cognizance Delegation assignment:

- a) A copy of the NASA awards issued to the nonprofit organization
 - b) List of all Federal awards issued to the nonprofit organization (direct and pass-through funding)
 - c) Point of Contact at the nonprofit organization (name, email, phone number)
 - d) The delegation will be effective as long as NASA remains the federal agency with the most direct federal funding or NASA withdraws the delegation.
2. ONR will administer CAS and DS-1 at nonprofits for which NASA has delegated indirect cost rate administration to ONR and NASA has delegated to ONR all the full CAS covered contracts, which trigger full CAS coverage and require submission of a DS-1.

4. Administrative Guidance:

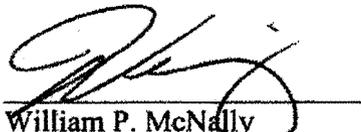
Grant administration functions will be performed in accordance with the terms of 14 CFR Part 1260, and ONR procedures unless otherwise specifically provided in letters of delegation. ONR and NASA personnel will maintain regular communication on grant management.

5. Effective Date:

This agreement shall take effect upon the latest signature date below, and shall remain in effect through 30 September 2014, unless otherwise modified or terminated by either party upon one year written notice.



Mark D. Bennington
Executive Director
for Acquisition Management
Office of Naval Research



William P. McNally
Assistant Administrator for Procurement
National Aeronautics and
Space Administration

Date: December 20, 2011

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