

## Grants and Research during the COVID-19 Epidemic

Version 3.0

June 23, 2020

Below is a list of frequently asked questions (FAQ) that NASA has received from personnel within the agency as well as award proposers and recipients (both recipients with COVID-19-related awards and those with other types of NASA awards) affected by the COVID-19 crisis. Please note that many administrative flexibilities in Office of Management and Budget (OMB) memorandum M-20-17 expired on June 16, 2020, per OMB memoranda M-20-26. Additionally, flexibilities in M-20-11, which applies only to awards issued to support the COVID-19 emergency response, are scheduled to expire on July 26, 2020. As such, the questions below have been updated to note their applicability in light of these policy changes.

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

Universities may allow the payment of soft-money researchers using NASA grant funds, as well as graduate students, post-docs, and other lab staff during the COVID-19 epidemic if the institution's policies allow it. According to the OMB Memo (M-20-26):

*Awarding agencies may allow recipients to continue to charge salaries and benefits to active Federal awards consistent with the recipients' policy of paying salaries (under unexpected or extraordinary circumstances) from all funding sources, Federal and non-Federal. Awarding agencies may allow other costs to be charged to Federal awards necessary to resume activities supported by the award, consistent with applicable Federal cost principles and the benefit to the project. Awarding agencies may also 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 progress reports and other communications with the grantee. Under this flexibility, payroll costs paid with the Paycheck Protection Program (PPP) loans or any other Federal CARES Act programs must not be also charged to current Federal awards as it would result in the Federal government paying for the same expenditures twice. Awarding agencies must require recipients 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, awarding agencies must inform recipients to 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 should retain documentation of their efforts to exhaust other funding sources and reduce overall operational costs.*

In addition to maintaining records and documentation as required by 2 CFR 200.302 and 200.333, all expenditures incurred specifically due to COVID-19 must be documented as such.

**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.**

As in the response to #1 (above), OMB Memo M-20-26 allows for institutions to charge restart costs to their grants:

*Awarding agencies may allow recipients to continue to charge salaries and benefits to active Federal awards consistent with the recipients' policy of paying salaries (under unexpected or extraordinary circumstances) from all funding sources, Federal and non-Federal. Awarding agencies may allow other costs to be charged to Federal awards necessary to resume activities supported by the award, consistent with applicable Federal cost principles and the benefit to the project. Awarding agencies may also 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 progress reports and other communications with the grantee. Under this flexibility, payroll costs paid with the Paycheck Protection Program (PPP) loans or any other Federal CARES Act programs must not be also charged to current Federal awards as it would result in the Federal government paying for the same expenditures twice. Awarding agencies must require recipients 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.*

Individual NASA programs are able to make use of the 2 CFR 200 flexibility stated above to allow costs associated with resuming funded grant activities to be charged to currently active grants. However, the decision as to if awards negatively impacted by the COVID-19 crisis will be provided additional funding will have to be made on a program-by-program basis. Award recipients must not assume that NASA will be able to provide additional funding to cover funding losses associated with the COVID-19 crisis. In addition to maintaining records and documentation as required by 2 CFR 200.302 and 200.333, all expenditures incurred specifically due to COVID-19 must be documented as such.

**3. How will unreleased grant funding be impacted?**

Currently, several staff members at the NASA Shared Services Center (NSSC) routinely work remotely; therefore, 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 in M-20-26.

**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 in M-20-26.

**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 in M-20-26.

**7. Do NASA program offices have a responsibility to report resources that award recipients donate in response to the COVID-19 crisis?**

If resources were donated in accordance with M-20-20 and prior to OMB releasing memorandum M-20-26, then those resource donations must be reported. The report must be submitted to 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 program office 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 guidance. M-20-26 does not allow for any new resource donations in response to COVID-19.

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

Per M-20-26, the flexibility in M-20-11 that allows for funding opportunities to be extended is still applicable to COVID-19 related awards, and this flexibility will expire on **July 26, 2020**. 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 to discuss the issue. This response does not apply to funding announcements for awards unrelated to COVID-19.

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

Per M-20-26, recipients are authorized to continue to charge salaries and benefits to currently active Federal awards consistent with the recipient organization's policy of paying salaries (under unexpected or extraordinary circumstances) from all funding sources, Federal and non-Federal. 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. In addition to maintaining records and documentation as required by 2 CFR 200.302 and 200.333, all expenditures incurred specifically due to COVID-19 must be documented as such.

**10. 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 anyone budgeted to perform activities under that award would be 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. 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.

**11. 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.

**12. 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 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 period.

GSA anticipates 61,298 registrations will be impacted by these extensions and plans to process the extension under the following timeline:

Date	Action
3/18/2020	Registrations expiring on 3/19/2020 extended to 5/17/2020.
3/19/2020	Registrations expiring from 3/20/2020 to 3/23/2020 extended by 60 days.
3/23/2020 to 3/27/2020	Registrations expiring from 3/24/2020 to 5/17/2020 extended 60 days. Extensions will be processed at a rate of about twelve thousand per day.
3/28/2020	Actions Complete

**13. Does the relief identified in M-20-26, “Extension of Administrative Relief for Recipients and Applicants of Federal Financial Assistance Directly Impacted by the Novel Coronavirus (COVID-19) due to Loss of Operations” flow down to subawards or subcontracts issued under a NASA grant or cooperative agreement? Did OMB and/or NASA issue guidance about contracts?**

The flexibilities in M-20-26 and NASA’s subsequent policy document adopting the flexibilities in M-20-26 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 a grant or cooperative agreement. The flexibilities only apply to NASA prime grant and cooperative agreements, and subawards issued under a NASA grant or cooperative agreement.

On March 20, 2020, OMB issued separate guidance for Federal contracts titled “[Managing Federal Contract Performance Issues Associated with the Novel Coronavirus \(COVID-19\)](#).” Additionally, NASA’s Office of Procurement released Procurement Information Circular (PIC) 20-01 entitled “[Emergency Acquisition Flexibilities for Novel Coronavirus Disease 2019 \(COVID-19\)](#).” NASA’s POC for PIC 20-01 is Andrew O’Rourke, [andrwe.orourke@nasa.gov](mailto:andrwe.orourke@nasa.gov).