

Subject: COVID-19 and Federal Financial Assistance

Date: March 12, 2020 at 11:10:47 AM EDT

To: "gpc-e-newsletter-listserv@lists.hq.nasa.gov" <gpc-e-newsletter-listserv@lists.hq.nasa.gov>

All,

As we continue to unearth the potential impacts COVID-19 may have on Federal financial assistance, Grants Policy and Compliance (GP&C) would like to share guidance based on a few questions that have come up over the last few days. It is important to note OMB's issuance of [M-20-11 "Memorandum for the Heads of Executive Departments and Agencies"](#) and its focus on grants in response to or research for COVID-19 and not grants that are simply impacted from the ramifications of COVID-19. Since the issuance of M-20-11, OMB has promised to provide additional guidance in the coming days.

- **A conference/event has been canceled, but the grantee has nonrefundable travel and/or hotel costs. May these charges be applied to the corresponding NASA grant?**
 1. We are currently working with our federal partners and awaiting further OMB guidance on proposal and award-related issues pertaining to COVID-19 including nonrefundable travel and/or hotel costs. We will communicate guidance as further information becomes available. In the meantime, please encourage grantees to continue to follow all relevant organization policies and procedures and be sure to apply those practices consistently.
 2. In instances where the grant award specifically calls for the attendance at an event that is cancelled and the grantee is not able to recover travel cancellation costs, Grant Officers (GO) should document specific situations by requiring detailed written explanations, including the timeline and cancellation policies that are resulting in fees from organizations impacted. These costs are conditionally allowable being that the grantee incurred expenses in an attempt to comply with the specification of the grant and was not in control of a cancellation occurring outside of the window for cost recovery. Once the GO has this information, he/she can review costs for reasonableness which enables us to check the box on allowability and make an informed approval or denial decision.
- **A grantee hosting an upcoming event originally organized as a face-to-face event would like to reorganize said event as a virtual event – impacting the original scope. The event is scheduled to occur in the next few weeks leaving little time to wait for an approved change in scope before moving forward with reorganizing initiatives.**

Grantees should make every effort to submit requests and obtain approval to modify the impacted grant(s). Recognizing extreme situations, please note the following:

1. Although a recipient is instructed to request prior approval from the grants official, in writing, before undertaking activities which will have extensive financial or programmatic impact on the grant, reasonable retroactive approvals may be requested in situations where the GO would have granted approval if done in a timely manner. In cases where events are scheduled to occur in the next **two to three weeks**, a hybrid approach should be considered. The recipient can consider submitting a request for retroactive approval along with supporting documentation that is required for prior approval and inform the GO, while moving forward with making reasonable changes to accommodate the safety of staff. Keep in mind that allowability (of new costs outside of cancellation fees), reasonableness, and allocability still apply. Grantees should refer to 2 CFR 200 to review and define allowability, reasonableness, and allocability of costs in absence of prior approval from the GO.

- a. Reasonableness in judgement includes the understanding that the grantees should avoid arbitrarily cancelling and modifying events with the assumption that NASA will pick up the tab, but following all relevant policies and procedures, including those of the organization, and applying those practices consistently. Grantees should not assume the approval process will take longer than they have and simply move forward. However, they can be advised that retroactive approval is not prohibited, but also understand that costs will be reviewed, and chargeability will be decided by a Grants Officer upon review.
2. As the days continue, the progression or regression of COVID-19 impacts will be assessed to determine further guidance beyond the aforementioned timeline. Please encourage and inform grantees that every attempt to obtain proper approval prior to moving forward should be exercised to avoid unforeseen absorption of costs.
3. For all other impacted events, grantees should continue the normal practice of submitting modifications for GO approval prior to implementing changes.

- **A grantee may need an extension for an award if the planned activities are disrupted by the COVID-19?**

All NASA awards are eligible for one-year grantee-approved no-cost extensions - further extensions as approved by appropriate GO. If a grantee foresees a need for NASA-approved extensions, please advise the grantee to include that information in the annual report and discuss the need ahead of time with the appropriate NASA GO assigned to the award.

We do anticipate OMB's guidance will include additional flexibilities; however, until then, most cases will be reviewed on a case-by-case basis. In some instances, a program-by-program basis. We will provide more as OMB releases guidance.

Thanks,

Antanese