



National Aeronautics and
Space Administration
Washington, DC 20546

Grant Notice

GN 20-02

09/29/2020

Guidance Regarding Salary Flexibility for Grant Recipients Impacted by COVID-19

PURPOSE: To provide guidance regarding salary flexibility and other project activities for award recipients impacted by COVID-19.

BACKGROUND: In June 2020, NASA adopted the two administrative flexibilities outlined in the Office of Management and Budget (OMB) memorandum M-20-26, which provided an extension of the “*Allowability of salaries and other project activities*” (2 CFR § 200.403, 2 CFR § 200.404, 2 CFR § 200.405) flexibility through **September 30, 2020**. OMB has not indicated whether they plan to extend these flexibilities; therefore, NASA will continue to exercise its authority to issue exceptions to the regulation on a case-by-case basis in accordance with 2 CFR 200.102 “Exceptions”

GUIDANCE: Program offices requiring salary flexibility extensions on a case-by-case basis must adhere to the following:

- Program offices must ensure that a request is submitted from their award recipient(s) 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 of 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.
- Program offices must inform award recipients requesting this flexibility that 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 must also be informed of the need to retain appropriate records and documentation of their efforts to exhaust other funding sources, including the efforts to reduce overall operational costs. Lastly, recipients must be informed that NASA is not responsible for providing funds in addition to those already obligated to an award if the implementation of this flexibility results in a lack of award funds necessary to achieve the project’s objectives.
- The award’s Technical Officer must review and provide initial approval prior to submitting the recipient’s request to the appropriate Grant Officer who will then review and grant final approval or denial of the request.

Award recipients are encouraged to submit their requests to utilize this flexibility as soon as possible. Award recipients may take advantage of this flexibility and incur costs prior to obtaining NASA prior approval. However, any costs incurred under this flexibility without NASA prior approval are incurred at

the recipient's own risk. If a recipient incurs costs under this flexibility prior to obtaining NASA approval, and NASA ultimately denies their request, then the costs incurred must not be charged to the NASA award.

EFFECTIVE DATE: October 1, 2020. This guidance is effective until rescinded by the NASA Grants Policy and Compliance Branch.

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