

| [NODIS Library](#) | [Financial Management\(9000s\)](#) | [Search](#) |



NASA Procedural Requirements

NPR 9090.1AEffective Date: February 25,
2013Expiration Date: February 25,
2018**COMPLIANCE IS MANDATORY**

Reimbursable Agreements

Responsible Office: Office of the Chief Financial Officer

Table of Contents

Preface

- P.1 Purpose
- P.2 Applicability
- P.3 Authority
- P.4 Applicable Documents and Forms
- P.5 Measurement/Verification
- P.6 Cancellation

Chapter 1. General Overview

- 1.1 Overview
- 1.2 Categories of Reimbursable Agreements.
- 1.3 Roles and Responsibilities

Chapter 2. Reimbursable Agreement Administrative Requirements

- 2.1 Introduction
- 2.2 Reimbursable Agreements
- 2.3 Estimated Price Reports (EPRs)
- 2.4 Advances Received
- 2.5 Billing and Collection
- 2.6 Financial Reporting

Chapter 3. Determining Reimbursable Agreement Full Cost

- 3.1 Introduction
- 3.2 Types of Cost

3.3 Capital Assets Acquired Under the Reimbursable Agreement

3.4 Calculating the Full Cost of Reimbursable Agreements

Chapter 4. Pricing Reimbursable Agreements

4.1 General

4.2 Pricing Reimbursable Space Act Agreements

4.3 Pricing Reimbursable Work for Federal Agencies under the Economy Act

4.4 Pricing Commercial Space Activity Agreements

4.5 Charges for Rental Quarters and Related Facilities

Chapter 5. Enhanced Use Leases (EUL) of Real Property

5.1 Overview

5.2 Pricing of Lease Agreements

5.3 Collections

5.4 Consideration

5.5 Full Cost of Leases

5.6 Net Lease Proceeds

5.7 Capital Asset Accounts

5.8 Additional Terms and Conditions

5.9 Plan and Reporting Requirements

Appendix A. Definitions

Appendix B. Acronyms

Appendix C. Description of Authority

Appendix D. Sample Estimated Price Report

Appendix E. Market Based Pricing Procedures

List of Figures

Figure 4-1 Example of Waived Direct Costs and Adjustment to CMO

PREFACE

1. Purpose

This National Aeronautics and Space Administration (NASA) Procedural Requirement (NPR) provides the financial management requirements for Reimbursable Agreements.

P.2 Applicability

1. This NPR is applicable to NASA Headquarters and NASA Centers, including Component Facilities and Technical and Service Support Centers. This language applies to Jet Propulsion Laboratory (JPL), other contractors, grant recipients, or parties to agreements only to the extent specified or referenced in the appropriate contracts, grants, or agreements.

2. In this NPR, all document citations are assumed to be the latest version unless otherwise noted.

3. In this NPR, all mandatory actions (i.e., requirements) are denoted by statements containing the term "shall." The terms: "may" or "can" denote discretionary privilege or permission, "should" denotes a good practice and is recommended, but not required, "will" denotes expected outcome, and "are/is" denotes descriptive material.

P.3 Authority

1.5 U.S.C. § 5911, Quarters and Facilities; Employees in the United States.

2.31 U.S.C. § 1535, Economy Act.

3.31 U.S.C. § 9701, Fees and Charges for Government Services and Things of Value.

4. 51 U.S.C. § 20101 et seq., National Aeronautics and Space Act.

5.51 U.S.C. § 20145, Lease of Non-Excess Property.

6.51 U.S.C. § 50504, Commercial Space Competitiveness Act, as amended (CSCA).

7.51 U.S.C. § 50901 et seq., Commercial Space Launch Act, as amended (CSLA).

8.51 U.S.C. § 60101 et seq., Land Remote Sensing Policy.

9. NASA Policy Directive (NPD) 1050.1, Authority to Enter into Space Act Agreements.

10. NPD 1370.1, Reimbursable Utilization of NASA Facilities by Foreign Entities and Foreign-Sponsored Research.

11. NPD 1385.2, Public Appearances of NASA Astronauts and Other NASA Personnel.

12. NPD 9010.2, Financial Management.

13. NPD 9080.1G, Review, Approval, and Imposition of User Charges.

14. NPR 9700.1, Travel.

P.4 Applicable Documents and Forms

1.5 U.S.C. § 3371-3376, Intergovernmental Personnel Act of 1970.

- 2.16 U.S.C. § 470h-3, National Historic Preservation Act.
- 3.31 U.S.C. § 901-903, Chief Financial Officers Act of 1990.
- 4.31 U.S.C. § 1301(a), Application of Appropriations.
- 5.31 U.S.C. § 1341(a), Antideficiency Act.
- 6.31 U.S.C. § 1353, Acceptance of Travel and Related Expenses from Non-Federal Sources.
- 7.31 U.S.C. § 1502, Balances Available.
- 8.31 U.S.C. § 1517, Prohibited Obligations and Expenditures.
- 9.31 U.S.C. § 3302, Custodians of Money.
10. Public Law 110-161, Consolidated Appropriations Act, 2008.
11. Public Law 111-117, Consolidated Appropriations Act, 2010.
- 12.5 CFR 334, Temporary Assignments Under The Intergovernmental Personnel Act (IPA).
- 13.14 CFR 1215, Tracking and Data Relay Satellite System (TDRSS).
- 14.41 CFR 304, Payment from a Non-Federal Source for Travel Expenses.
15. OMB Circular No. A-11, Preparation, Submission, and Execution of Budget.
16. OMB Circular No. A-25, User Charges.
17. OMB Circular No. A-45, Rental and Construction of Government Quarters.
18. and Local Units of Government Under Title III of the Intergovernmental Cooperation Act of 1968.
19. OMB Circular No. A-129, Policies for Federal Credit Programs and Non-Tax Receivables.
20. Treasury Financial Manual, Volume 1, Part 2, Chapter 4700, Agency Reporting Requirements for the Financial Report of the United States Government, Appendix 10, Intragovernmental Business Rules.
21. Memorandum for Chief Acquisition Officers, Senior Procurement Executives from the Administrator, Office of Federal Procurement Policy, "Improving the Management and Use of Interagency Acquisitions," June 6, 2008.
22. Statement of Federal Financial Accounting Standards (SFFAS) No. 4: Managerial Cost Accounting Standards and Concepts, Issued July 31, 1995.
23. Statement of Federal Financial Accounting Standards (SFFAS) No. 7: Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting, Issued April 1996.
24. Statement of Federal Financial Accounting Standards (SFFAS) No. 30: Inter-Entity Cost Implementation: Amending SFFAS 4, Managerial Cost Accounting Standards and Concepts, Issued August 15, 2005.
25. NPD 1385.2, Public Appearances of NASA Astronauts and Other NASA Personnel (Revalidated January 12, 2011).
26. NPR 3300.1, Appointment of Personnel To/From NASA.

- 27.NPR 7120.5, NASA Space Flight Program and Project Management Requirements.
- 28.NPR 8800.15, Real Estate Management Program.
- 29.NPR 9050.4, Cash Management and Improper Payments.
- 30.NPR 9060.1, Cost Accruals.
- 31.NPR 9250.1, Property, Plant, and Equipment and Operating Materials and Supplies.
- 32.NPR 9610.1, Accounts Receivable.
- 33.NPR 9635.1, Billings and Collections.
- 34.NASA Advisory Implementing Instruction (NAII) 1050-1B, Space Act Agreements Guide.

P.5 Measurement/Verification

Quality assurance reviews and analysis of financial and budgetary reports and data submitted through the continuous monitoring program will be used to measure compliance with this NPR.

P.6 Cancellation

1. NPR 9090.1, Reimbursable Agreements, dated September 30, 2008.
2. NASA Interim Directive 9090.1, Reimbursable Agreements, dated December 15, 2010.

/S/

Pamela D. Hanes
NASA Deputy Chief Financial Officer

Chapter 1. General Overview

1.1 Overview

1.1.1 This directive establishes financial management requirements for reimbursable agreements related to (1) administrative procedures; (2) determining full cost; and (3) pricing. These requirements are applicable to all reimbursable agreements and related reimbursable activities performed by NASA Headquarters (HQ) offices and the NASA Centers. NASA has the authority to enter into agreements that allow for reimbursable work with other Federal and non-Federal entities and for the reimbursable use of NASA facilities, personnel, expertise, and/or equipment. The term reimbursable work as used throughout this NPR includes use of NASA facilities, personnel, expertise, materials, supplies, and equipment. The term customer is used in this NPR to identify the entity receiving services, materials, or support from NASA on a reimbursable basis. Unless otherwise indicated in connection with the specific type of agreement, a full cost Estimated Price Report (EPR) will be prepared for all reimbursable agreements.

1.1.2 When non-reimbursable agreements are executed, there will be no transfer of funds or other financial obligations between the parties under the agreement, and each party will fund its own participation. This NPR does not offer policy direction on non-reimbursable agreements. Direction for Non-Reimbursable Space Act Agreements can be found in NPD 1050.1, Authority to Enter into Space Act Agreements.

1.1.3 This directive is primarily intended for NASA Agency and Center Chief Financial Officers (CFO) and their staff, agreement managers, and their supporting resource staff, project managers, technical managers, and members of the NASA performing organization.

1.2 Categories of Reimbursable Agreements

1.2.1 Principal authorities under which reimbursable agreements are executed are listed below. If multiple authorities are identified (e.g., where the customer provides an authority under which they are entering into the agreement and NASA has determined that another authority will be used), it will clearly indicate the authority under which NASA will be performing the agreement. In general, that should be based on consultation with the Center counsel.

1.2.1.1 Space Act. Per NPD 1050.1, it is NASA's policy to utilize the broad authority granted the Agency in the Space Act to enter into reimbursable agreements. Some reimbursable agreements in support of existing NASA programs involve collaborative arrangements in which the customer/partner provides funding for some portion of its share of the project. There is also a very broad category of agreements that includes research and test services, facilities type services, such as host-tenant agreements, and any other reimbursable agreements that are not directly related to an existing NASA program. This NPR does not establish new or additional policies for entering into Space Act Agreements. The official Agency policy can be found in NPD 1050.1.

1.2.1.2 Economy Act. While the Space Act provides authority to NASA to engage in reimbursable and cooperative agreements with various parties, including other Federal agencies, the Economy Act provides authority for all Federal agencies to engage in interagency reimbursable activity within certain constraints.

1.2.1.3 The Commercial Space Launch Act (CSLA). The CSLA encourages acquisition by the private sector and State governments from the U.S. Government of the following property or

services:

- a. Launch or reentry property of the U.S. Government that is excess or otherwise is not needed for public use.
- b. Launch services and reentry services, including utilities, of the Government otherwise not needed for public use.

1.2.1.4 Enhanced Use Lease (EUL) agreements are lease agreements entered into under The Lease of Non-Excess Property that gives the Administrator authority to:

- a. Lease NASA real property at fair market value.
- b. Use the amounts collected to cover the full costs to NASA in connection with the lease.
- c. Use the net proceeds of the lease (i.e., cash collections received in excess of the full cost of leases) for maintenance, capital revitalization, and improvements of the real property assets and related personal property under the jurisdiction of the Administrator.

1.2.1.5 Commercial Space Competitiveness Act (CSCA). The CSCA authorizes NASA to allow non-Federal entities to use NASA's space-related facilities on a reimbursable basis if the Administrator determines that:

- a. The facilities will be used to support commercial space activities.
- b. Such use can be supported by existing or planned Federal resources.
- c. Such use is compatible with Federal activities.
- d. Equivalent commercial services are not available on reasonable terms.
- e. Such use is consistent with public safety, national security, and international treaty obligations.

Note: While NASA has CSCA authority available, Agency current practice is to use the authority provided under the Space Act in lieu of CSCA. Any exceptions will be reviewed by the Office of General Counsel and Office of Chief Financial Officer and approved in writing.

1.2.1.6 Intergovernmental Personnel Act (IPA) Agreements. The IPA (see 42 USC § 4701 and 5 USC §§ 3371-3376) permits Federal agencies to enter into agreements governing the assignment of personnel to or from state and local governments, institutions of higher learning, Indian Tribal Governments, and other eligible organizations on a temporary basis. The Office of Personnel Management has issued implementing regulations, Temporary Assignments under The Intergovernmental Personnel Act, and NASA has issued NPR 3300.1, Appointment of Personnel, to/from NASA. Reimbursement is limited to basic pay, supplemental pay, fringe benefits, and travel and relocation expenses. NASA Centers are not required to prepare EPR and develop a full-cost Reimbursable Agreement for IPA agreements. Reimbursements for IPA agreements will not include indirect or administrative costs associated with the assignment. This includes charges for preparing and maintaining payroll records, developing reports on the mobility assignment, and negotiating the agreement. Other costs that cannot be reimbursed include tuition credits, office space, furnishings, supplies, staff support, and computer time.

1.2.2 Additional Types of Reimbursable Agreements. In addition to services performed for a reimbursable customer by NASA, the following types of reimbursable agreements are typically

performed within existing reimbursable authorities.

a. **Host-Tenant Agreements.** A host-tenant agreement is an agreement between NASA and a non-NASA entity that provides for the use of NASA facilities, institutional services, or for provision of support services, including but not limited to security, automated data processing (ADP) personnel, or other support to the non-NASA customer. A host-tenant agreement is a type of interagency agreement (IA) (e.g., Economy Act or Space Act agreement) that establishes the formal relationship between NASA and the non-NASA party. These agreements define the relationship between the parties, delineate the general policies and responsibilities, specify responsibilities for identifying requirements and delivering services, establish the basis for reimbursement by the tenant to NASA, and recognize the non-NASA party as a tenant with long-term requirements that will be described by an extended plan (frequently five years) and annual updates. Exhibits that provide information on the specific facilities and services that NASA will provide may support the agreement and how the tenant will reimburse NASA for them. For a Government tenant, funding documents will explain reimbursement procedures. Pricing requirements are identified in Chapter 4 of this document.

b. **Reimbursable Travel Agreements (Also Known as "Travel-Only" Agreements).** Under Reimbursable Travel Agreements another party agrees to reimburse NASA for travel expenses incurred by a NASA employee. These agreements are used when the NASA employee is making a presentation or other appearance that is approved in accordance with NPD 9710.1, Delegation of Authority - To Authorize or Approve Temporary Duty Travel on Official Business and Related Matters and NPD 1385.2, Public Appearances of NASA Astronauts and Other NASA Personnel. They are called "travel-only" agreements, because they involve reimbursement for only the actual travel expenses and are not to be utilized for the provision of products and/or services. Travel-only agreements permit reimbursement for expenses incurred by the traveler normally incidental to travel, including, but not limited to, transportation, accommodations, registration fees, automobile rental, meals, and other directly related expenses that the traveler incurs. Travel only agreements will not include payment for the cost of the time the traveler spends traveling, or while away from his/her home site, or for any services that person provides. The individual is not allowed any supplementation of his/her salary in "travel only" agreements. NASA Centers are not required to prepare EPRs for travel-only agreements.

1.2.3 Unless otherwise indicated in connection with the specific type of agreement, a full-cost EPR is required for reimbursable agreements, and alternative sources of funding will be identified and agreed to for any waived costs. See Section 2.2.3.6.e.

1.3 Roles and Responsibilities

1.3.1 The Agency CFO shall be responsible for:

- a. Developing, issuing, and interpreting financial management policies for reimbursable agreements.
- b. Maintaining financial records and related reports, including Agency-wide reports of reimbursable obligations, costs, accounts receivable, and collections during the year.
- c. Requesting and receiving apportionments of reimbursable authority from the OMB.
- d. Reviewing supporting documentation and issue reimbursable resources authority to Centers.
- e. Providing oversight of internal controls necessary to prevent over-obligation of reimbursable funds.
- f. Establishing conventions for accounting classifications supporting reimbursable work (e.g., Work

Breakdown Structure (WBS) codes) in accordance with NASA policy for numbering programs and projects.

g. Approving all cost waivers involving reimbursable agreements in which the price to the customer is less than direct cost.

h. Resolving and making a determination as needed, in consultation with the responsible Mission Directorate(s), for all non-concurrences from the Program Manager/Center Management and Operations (CMO) Manager to use the CSLA as the authority for entering into a reimbursable agreement after the Center Chief Counsel and Center CFO have recommended the use of CSLA as the authority.

i. Unless otherwise restricted by statute or regulation, the authorities and functions stated herein may be delegated by the CFO.

1.3.2 Agency Associate Administrators for the Mission Directorates, Officials in Charge of Headquarters Offices, or their designees, within their areas of jurisdiction, shall be responsible for:

a. Performing the following for Headquarters-negotiated reimbursable agreements:

(1) Negotiating, amending, and terminating as appropriate Headquarters-negotiated reimbursable agreements (except International Agreements unless delegated), preparing or obtaining EPRs from performing organizations, and obtaining necessary concurrences, including the Agency Office of the Chief Financial Officer (OCFO).

(2) Executing the agreement and authorizing the work.

(3) Monitoring the financial status of reimbursable agreements and taking action as needed to ensure that NASA receives the proper level of reimbursement for work performed at Headquarters.

(4) Arranging necessary approvals or terminations.

b. Providing funding for waived costs under a reimbursable agreement that the Mission Directorate concurs should be funded by one of the Mission Directorate's programs.

1.3.3 The Associate Administrator for International and Interagency Relations (or designee) is responsible for negotiating, amending, executing, terminating, and providing oversight of International Agreements. Responsibilities associated with International Agreements may be delegated to Centers.

1.3.4 NASA's Executive Director for Headquarters Operations and supporting staff shall be responsible for:

a. Reviewing and concurring with reimbursable agreements and EPRs for agreements performed at Headquarters.

b. Verifying that all Headquarters-performed reimbursable agreements are assigned a WBS identity.

c. Securing and documenting exceptions to full-cost and advance requirements for agreements performed at Headquarters.

d. Performing closeout of agreements performed at Headquarters.

1.3.5 NASA Center Directors and the NASA Management Office (NMO) are responsible for negotiation, execution, amendment, and termination of reimbursable agreements for their respective Center and may delegate that within their respective Centers.

¹ Generally, the counterpart of a Center CFO at Headquarters (for Headquarters-performed agreements) is the Headquarters Director, Office of Budget Management and System Support. In general, responsibilities normally assumed at a Center by the Center CFO and as described in this NPR would be under the Headquarters Director, Office of Budget Management and System Support. The Headquarters Director, Office of Budget Management and System Support is responsible for determining the administrative fee for reimbursable agreements involving Headquarters or the NMO for work to be performed by JPL, (an FFRDC). Similarly, when the term "Center" is used in this NPR, that would also apply to Headquarters in the cases of agreements involving Headquarters or the NMO for work to be performed by JPL, (an FFRDC).

1.3.6 Center CFOs or designees acting in their capacity shall:

a. Review and approve or disapprove Center-negotiated reimbursable agreements and EPRs, including the amount and funding source, if needed, of all price adjustments or waived costs where either of the following circumstances apply:

(1) The agreement involves waived costs or excluded costs (in accordance with policy or statute, such as CSLA). That would include agreements where any indirect costs would be waived (e.g., CMO, Administrative Fee on HQ/NMO agreements (as described in Section 3.2.3.1).

(2) The requirement for obtaining an advance from a non-Federal customer is waived in accordance with Section 2.2.3.6.f.

b. If there are waived or excluded costs, ensure that concurrences are obtained from offices responsible for providing alternative sources of funding. That includes confirming that concurrences from other Center CFOs have been obtained if a portion of the work is expected to be performed at those Centers and some costs (e.g., CMO) are planned to be waived.

c. Center CFOs may, at their discretion, review and approve other agreements and implement routing and approval procedures at their Centers to support that.

1.3.7 Center CFO offices (and for agreements performed at HQ, Executive Director for Headquarters Operations) shall be responsible for:

a. In coordination with the program office performing the work, ensuring that market surveys are conducted for reimbursable work or services the Center provides that have a comparable market equivalent from non-NASA sources, if applicable (see Section 4.2.3).

b. Reviewing planned agreements and verifying that all agreements, or separately funded orders under multiple order agreement(s), are assigned a WBS.

c. Providing guidance and oversight (in coordination with the program office performing the work) to ensure financial control over each agreement and processes for generating financial reports.

d. Implementing internal controls necessary to prevent over-obligation of reimbursable funds.

e. Properly documenting and approving waivers of advance payment requirements from non-Federal customers. Confirming that a valid source of direct program funding would be available to fund reimbursable work in case a reimbursement cannot be realized from the reimbursable customer (see Section 2.2.3.6.f).

f. Confirming that the program office has sufficient NASA direct funding that was negotiated as part of NASA's contribution associated with a reimbursable agreement.

g. Providing guidance and oversight (in coordination with the program office performing the work),

so that there is reasonable assurance that obligations and costs related to reimbursable agreements are clearly charged to proper reimbursable funding and to correct WBSs.

h. Maintaining complete financial records of all reimbursable agreements including estimated costs, waived cost and the reason for the waiver, excluded indirect costs, actual costs, estimated customer reimbursement, and actual customer reimbursement.

i. Ensuring the reimbursable budget authority is distributed within the Center to reimbursable projects based on signed agreements. Distribution of budget authority is discussed in NPR 9470.1, Budget Execution.

j. Coordinating and obtaining concurrence for any waived indirect cost where some or all of the reimbursable work will be performed at another Center. Concurrence will be obtained from the performing Center CFO and be documented on the EPR.

k. Confirming that interim or final financial status reporting to reimbursable customers, if requested, is in agreement with and supported by accounting data.

l. Reviewing justification for any waivers of the advance payment requirement from a non-Federal customer in consultation with the program office that would perform the work. As indicated in Section 1.3.6, the Center CFO would approve the waiver of the advance payment requirement.

m. Reviewing justification for any waived costs and determination of the price to be charged to the customer based on the EPR in consultation with the program office that would perform the work. As indicated in Section 1.3.6, the Center CFO would approve any waived costs.

1.3.8 The performing organization (through an Agreement manager or the Agreement initiator) and supporting resource management staff shall:

a. Prepare a complete description of the work or services to be performed, descriptions of deliverables, and a statement of why the project is being supported.

b. Identify the period of performance, including initiation date, interim milestones, if relevant, and completion dates.

c. Prepare reimbursable agreements and EPRs (including justification for any waived or excluded cost), and obtain all required concurrences/approvals including that of the Center CFO, and the Mission Directorate, if required.

d. Ensure that a market survey is conducted if applicable (see Section 4.2.3). Since the responsible technical managers have established working relationships with other providers, it is expected that these managers will be responsible for conducting the surveys or obtain comparable information from equivalent sources.

e. Prepare justification for any waivers of advance payment requirements and corresponding source of direct funds.

f. Coordinate with the Center CFO office to develop the WBS at the customer order level where the customer issues individual orders under one agreement.

g. Comply with established internal controls and implement additional controls, if needed, to prevent over obligation of reimbursable funds.

h. Immediately notify the Center CFO office when conditions necessitate Center CFO office action, including changes in the price of the agreement, termination of the work, or closeout of the agreement.

- i. Develop budget estimates for individual reimbursable agreements as required in the annual budget guidance.
- j. Review and validate obligations and costs assigned to the reimbursable project in order to ensure that the reimbursable customer is properly charged.
- k. Monitor both cumulative project costs and projected costs in order to complete the project and provide reasonable assurances that costs are recognized against the reimbursable agreement in a timely manner to correspond to performance of the work under the agreement. Determine whether additional funding will be needed and arrange incremental funding from the customer, if needed, in collaboration with the Agreement manager and the Center CFO office. Determine whether incremental funding will be required to permit continued performance under the agreement if funds are expiring (either NASA reimbursable funding or funds from a Federal reimbursable customer). Budget authority to incur new reimbursable obligations is based on available appropriations and will not include unobligated balances that have since expired.
- l. Maintain controls so that reimbursable work should not be initiated until agreements are fully executed and reimbursable funds are made available to incur obligations.

1.3.9 The Headquarters Office of General Counsel shall review, provide legal guidance, and comment/concur, as appropriate, with each Headquarters-negotiated reimbursable agreement in accordance with applicable laws, regulations, and internal NASA policies.

1.3.10 The Centers' Office of Chief Counsel shall review, provide legal guidance, and comment/concur, as appropriate with each Center-negotiated reimbursable agreement in accordance with applicable laws, regulations, and internal NASA policies.

L

Chapter 1. General Overview

1.1 Overview

1.1.1 This directive establishes financial management requirements for reimbursable agreements related to (1) administrative procedures; (2) determining full cost; and (3) pricing. These requirements are applicable to all reimbursable agreements and related reimbursable activities performed by NASA Headquarters (HQ) offices and the NASA Centers. NASA has the authority to enter into agreements that allow for reimbursable work with other Federal and non-Federal entities and for the reimbursable use of NASA facilities, personnel, expertise, and/or equipment. The term reimbursable work as used throughout this NPR includes use of NASA facilities, personnel, expertise, materials, supplies, and equipment. The term customer is used in this NPR to identify the entity receiving services, materials, or support from NASA on a reimbursable basis. Unless otherwise indicated in connection with the specific type of agreement, a full cost Estimated Price Report (EPR) will be prepared for all reimbursable agreements.

1.1.2 When non-reimbursable agreements are executed, there will be no transfer of funds or other financial obligations between the parties under the agreement, and each party will fund its own participation. This NPR does not offer policy direction on non-reimbursable agreements. Direction for Non-Reimbursable Space Act Agreements can be found in NPD 1050.1, Authority to Enter into Space Act Agreements.

1.1.3 This directive is primarily intended for NASA Agency and Center Chief Financial Officers

(CFO) and their staff, agreement managers, and their supporting resource staff, project managers, technical managers, and members of the NASA performing organization.

1.2 Categories of Reimbursable Agreements

1.2.1 Principal authorities under which reimbursable agreements are executed are listed below. If multiple authorities are identified (e.g., where the customer provides an authority under which they are entering into the agreement and NASA has determined that another authority will be used), it will clearly indicate the authority under which NASA will be performing the agreement. In general, that should be based on consultation with the Center counsel.

1.2.1.1 Space Act. Per NPD 1050.1, it is NASA's policy to utilize the broad authority granted the Agency in the Space Act to enter into reimbursable agreements. Some reimbursable agreements in support of existing NASA programs involve collaborative arrangements in which the customer/partner provides funding for some portion of its share of the project. There is also a very broad category of agreements that includes research and test services, facilities type services, such as host-tenant agreements, and any other reimbursable agreements that are not directly related to an existing NASA program. This NPR does not establish new or additional policies for entering into Space Act Agreements. The official Agency policy can be found in NPD 1050.1.

1.2.1.2 Economy Act. While the Space Act provides authority to NASA to engage in reimbursable and cooperative agreements with various parties, including other Federal agencies, the Economy Act provides authority for all Federal agencies to engage in interagency reimbursable activity within certain constraints.

1.2.1.3 The Commercial Space Launch Act (CSLA). The CSLA encourages acquisition by the private sector and State governments from the U.S. Government of the following property or services:

- a. Launch or reentry property of the U.S. Government that is excess or otherwise is not needed for public use.
- b. Launch services and reentry services, including utilities, of the Government otherwise not needed for public use.

1.2.1.4 Enhanced Use Lease (EUL) agreements are lease agreements entered into under The Lease of Non-Excess Property that gives the Administrator authority to:

- a. Lease NASA real property at fair market value.
- b. Use the amounts collected to cover the full costs to NASA in connection with the lease.
- c. Use the net proceeds of the lease (i.e., cash collections received in excess of the full cost of leases) for maintenance, capital revitalization, and improvements of the real property assets and related personal property under the jurisdiction of the Administrator.

1.2.1.5 Commercial Space Competitiveness Act (CSCA). The CSCA authorizes NASA to allow non-Federal entities to use NASA's space-related facilities on a reimbursable basis if the Administrator determines that:

- a. The facilities will be used to support commercial space activities.
- b. Such use can be supported by existing or planned Federal resources.
- c. Such use is compatible with Federal activities.

- d. Equivalent commercial services are not available on reasonable terms.
- e. Such use is consistent with public safety, national security, and international treaty obligations.

Note: While NASA has CSCA authority available, Agency current practice is to use the authority provided under the Space Act in lieu of CSCA. Any exceptions will be reviewed by the Office of General Counsel and Office of Chief Financial Officer and approved in writing.

1.2.1.6 Intergovernmental Personnel Act (IPA) Agreements. The IPA (see 42 USC § 4701 and 5 USC §§ 3371-3376) permits Federal agencies to enter into agreements governing the assignment of personnel to or from state and local governments, institutions of higher learning, Indian Tribal Governments, and other eligible organizations on a temporary basis. The Office of Personnel Management has issued implementing regulations, Temporary Assignments under The Intergovernmental Personnel Act, and NASA has issued NPR 3300.1, Appointment of Personnel, to/from NASA. Reimbursement is limited to basic pay, supplemental pay, fringe benefits, and travel and relocation expenses. NASA Centers are not required to prepare EPR and develop a full-cost Reimbursable Agreement for IPA agreements. Reimbursements for IPA agreements will not include indirect or administrative costs associated with the assignment. This includes charges for preparing and maintaining payroll records, developing reports on the mobility assignment, and negotiating the agreement. Other costs that cannot be reimbursed include tuition credits, office space, furnishings, supplies, staff support, and computer time.

1.2.2 Additional Types of Reimbursable Agreements. In addition to services performed for a reimbursable customer by NASA, the following types of reimbursable agreements are typically performed within existing reimbursable authorities.

a. Host-Tenant Agreements. A host-tenant agreement is an agreement between NASA and a non-NASA entity that provides for the use of NASA facilities, institutional services, or for provision of support services, including but not limited to security, automated data processing (ADP) personnel, or other support to the non-NASA customer. A host-tenant agreement is a type of interagency agreement (IA) (e.g., Economy Act or Space Act agreement) that establishes the formal relationship between NASA and the non-NASA party. These agreements define the relationship between the parties, delineate the general policies and responsibilities, specify responsibilities for identifying requirements and delivering services, establish the basis for reimbursement by the tenant to NASA, and recognize the non-NASA party as a tenant with long-term requirements that will be described by an extended plan (frequently five years) and annual updates. Exhibits that provide information on the specific facilities and services that NASA will provide may support the agreement and how the tenant will reimburse NASA for them. For a Government tenant, funding documents will explain reimbursement procedures. Pricing requirements are identified in Chapter 4 of this document.

b. Reimbursable Travel Agreements (Also Known as "Travel-Only" Agreements). Under Reimbursable Travel Agreements another party agrees to reimburse NASA for travel expenses incurred by a NASA employee. These agreements are used when the NASA employee is making a presentation or other appearance that is approved in accordance with NPD 9710.1, Delegation of Authority - To Authorize or Approve Temporary Duty Travel on Official Business and Related Matters and NPD 1385.2, Public Appearances of NASA Astronauts and Other NASA Personnel. They are called "travel-only" agreements, because they involve reimbursement for only the actual travel expenses and are not to be utilized for the provision of products and/or services. Travel-only

agreements permit reimbursement for expenses incurred by the traveler normally incidental to travel, including, but not limited to, transportation, accommodations, registration fees, automobile rental, meals, and other directly related expenses that the traveler incurs. Travel only agreements will not include payment for the cost of the time the traveler spends traveling, or while away from his/her home site, or for any services that person provides. The individual is not allowed any supplementation of his/her salary in "travel only" agreements. NASA Centers are not required to prepare EPRs for travel-only agreements.

1.2.3 Unless otherwise indicated in connection with the specific type of agreement, a full-cost EPR is required for reimbursable agreements, and alternative sources of funding will be identified and agreed to for any waived costs. See Section 2.2.3.6.e.

1.3 Roles and Responsibilities

1.3.1 The Agency CFO shall be responsible for:

- a. Developing, issuing, and interpreting financial management policies for reimbursable agreements.
- b. Maintaining financial records and related reports, including Agency-wide reports of reimbursable obligations, costs, accounts receivable, and collections during the year.
- c. Requesting and receiving apportionments of reimbursable authority from the OMB.
- d. Reviewing supporting documentation and issue reimbursable resources authority to Centers.
- e. Providing oversight of internal controls necessary to prevent over-obligation of reimbursable funds.
- f. Establishing conventions for accounting classifications supporting reimbursable work (e.g., Work Breakdown Structure (WBS) codes) in accordance with NASA policy for numbering programs and projects.
- g. Approving all cost waivers involving reimbursable agreements in which the price to the customer is less than direct cost.
- h. Resolving and making a determination as needed, in consultation with the responsible Mission Directorate(s), for all non-concurrences from the Program Manager/Center Management and Operations (CMO) Manager to use the CSLA as the authority for entering into a reimbursable agreement after the Center Chief Counsel and Center CFO have recommended the use of CSLA as the authority.
- i. Unless otherwise restricted by statute or regulation, the authorities and functions stated herein may be delegated by the CFO.

1.3.2 Agency Associate Administrators for the Mission Directorates, Officials in Charge of Headquarters Offices, or their designees, within their areas of jurisdiction, shall be responsible for:

a. Performing the following for Headquarters-negotiated reimbursable agreements:

(1) Negotiating, amending, and terminating as appropriate Headquarters-negotiated reimbursable agreements (except International Agreements unless delegated), preparing or obtaining EPRs from performing organizations, and obtaining necessary concurrences, including the Agency Office of the Chief Financial Officer (OCFO).

(2) Executing the agreement and authorizing the work.

(3) Monitoring the financial status of reimbursable agreements and taking action as needed to ensure that NASA receives the proper level of reimbursement for work performed at Headquarters.

(4) Arranging necessary approvals or terminations.

b. Providing funding for waived costs under a reimbursable agreement that the Mission Directorate concurs should be funded by one of the Mission Directorate's programs.

1.3.3 The Associate Administrator for International and Interagency Relations (or designee) is responsible for negotiating, amending, executing, terminating, and providing oversight of International Agreements. Responsibilities associated with International Agreements may be delegated to Centers.

1.3.4 NASA's Executive Director for Headquarters Operations and supporting staff shall be responsible for:

- a. Reviewing and concurring with reimbursable agreements and EPRs for agreements performed at Headquarters.
- b. Verifying that all Headquarters-performed reimbursable agreements are assigned a WBS identity.
- c. Securing and documenting exceptions to full-cost and advance requirements for agreements performed at Headquarters.
- d. Performing closeout of agreements performed at Headquarters.

1.3.5 NASA Center Directors and the NASA Management Office (NMO) are responsible for negotiation, execution, amendment, and termination of reimbursable agreements for their respective Center and may delegate that within their respective Centers.

¹ Generally, the counterpart of a Center CFO at Headquarters (for Headquarters-performed agreements) is the Headquarters Director, Office of Budget Management and System Support. In general, responsibilities normally assumed at a Center by the Center CFO and as described in this NPR would be under the Headquarters Director, Office of Budget Management and System Support. The Headquarters Director, Office of Budget Management and System Support is responsible for determining the administrative fee for reimbursable agreements involving Headquarters or the NMO for work to be performed by JPL, (an FFRDC). Similarly, when the term "Center" is used in this NPR, that would also apply to Headquarters in the cases of agreements involving Headquarters or the NMO for work to be performed by JPL, (an FFRDC).

1.3.6 Center CFOs or designees acting in their capacity shall:

a. Review and approve or disapprove Center-negotiated reimbursable agreements and EPRs, including the amount and funding source, if needed, of all price adjustments or waived costs where either of the following circumstances apply:

(1) The agreement involves waived costs or excluded costs (in accordance with policy or statute, such as CSLA). That would include agreements where any indirect costs would be waived (e.g., CMO, Administrative Fee on HQ/NMO agreements (as described in Section 3.2.3.1).

(2) The requirement for obtaining an advance from a non-Federal customer is waived in accordance with Section 2.2.3.6.f.

b. If there are waived or excluded costs, ensure that concurrences are obtained from offices responsible for providing alternative sources of funding. That includes confirming that concurrences

from other Center CFOs have been obtained if a portion of the work is expected to be performed at those Centers and some costs (e.g., CMO) are planned to be waived.

c. Center CFOs may, at their discretion, review and approve other agreements and implement routing and approval procedures at their Centers to support that.

1.3.7 Center CFO offices (and for agreements performed at HQ, Executive Director for Headquarters Operations) shall be responsible for:

- a. In coordination with the program office performing the work, ensuring that market surveys are conducted for reimbursable work or services the Center provides that have a comparable market equivalent from non-NASA sources, if applicable (see Section 4.2.3).
- b. Reviewing planned agreements and verifying that all agreements, or separately funded orders under multiple order agreement(s), are assigned a WBS.
- c. Providing guidance and oversight (in coordination with the program office performing the work) to ensure financial control over each agreement and processes for generating financial reports.
- d. Implementing internal controls necessary to prevent over-obligation of reimbursable funds.
- e. Properly documenting and approving waivers of advance payment requirements from non-Federal customers. Confirming that a valid source of direct program funding would be available to fund reimbursable work in case a reimbursement cannot be realized from the reimbursable customer (see Section 2.2.3.6.f).
- f. Confirming that the program office has sufficient NASA direct funding that was negotiated as part of NASA's contribution associated with a reimbursable agreement.
- g. Providing guidance and oversight (in coordination with the program office performing the work), so that there is reasonable assurance that obligations and costs related to reimbursable agreements are clearly charged to proper reimbursable funding and to correct WBSs.
- h. Maintaining complete financial records of all reimbursable agreements including estimated costs, waived cost and the reason for the waiver, excluded indirect costs, actual costs, estimated customer reimbursement, and actual customer reimbursement.
- i. Ensuring the reimbursable budget authority is distributed within the Center to reimbursable projects based on signed agreements. Distribution of budget authority is discussed in NPR 9470.1, Budget Execution.
- j. Coordinating and obtaining concurrence for any waived indirect cost where some or all of the reimbursable work will be performed at another Center. Concurrence will be obtained from the performing Center CFO and be documented on the EPR.
- k. Confirming that interim or final financial status reporting to reimbursable customers, if requested, is in agreement with and supported by accounting data.
- l. Reviewing justification for any waivers of the advance payment requirement from a non-Federal customer in consultation with the program office that would perform the work. As indicated in Section 1.3.6, the Center CFO would approve the waiver of the advance payment requirement.
- m. Reviewing justification for any waived costs and determination of the price to be charged to the customer based on the EPR in consultation with the program office that would perform the work. As indicated in Section 1.3.6, the Center CFO would approve any waived costs.

1.3.8 The performing organization (through an Agreement manager or the Agreement initiator) and

supporting resource management staff shall:

- a. Prepare a complete description of the work or services to be performed, descriptions of deliverables, and a statement of why the project is being supported.
- b. Identify the period of performance, including initiation date, interim milestones, if relevant, and completion dates.
- c. Prepare reimbursable agreements and EPRs (including justification for any waived or excluded cost), and obtain all required concurrences/approvals including that of the Center CFO, and the Mission Directorate, if required.
- d. Ensure that a market survey is conducted if applicable (see Section 4.2.3). Since the responsible technical managers have established working relationships with other providers, it is expected that these managers will be responsible for conducting the surveys or obtain comparable information from equivalent sources.
- e. Prepare justification for any waivers of advance payment requirements and corresponding source of direct funds.
- f. Coordinate with the Center CFO office to develop the WBS at the customer order level where the customer issues individual orders under one agreement.
- g. Comply with established internal controls and implement additional controls, if needed, to prevent over obligation of reimbursable funds.
- h. Immediately notify the Center CFO office when conditions necessitate Center CFO office action, including changes in the price of the agreement, termination of the work, or closeout of the agreement.
- i. Develop budget estimates for individual reimbursable agreements as required in the annual budget guidance.
- j. Review and validate obligations and costs assigned to the reimbursable project in order to ensure that the reimbursable customer is properly charged.
- k. Monitor both cumulative project costs and projected costs in order to complete the project and provide reasonable assurances that costs are recognized against the reimbursable agreement in a timely manner to correspond to performance of the work under the agreement. Determine whether additional funding will be needed and arrange incremental funding from the customer, if needed, in collaboration with the Agreement manager and the Center CFO office. Determine whether incremental funding will be required to permit continued performance under the agreement if funds are expiring (either NASA reimbursable funding or funds from a Federal reimbursable customer). Budget authority to incur new reimbursable obligations is based on available appropriations and will not include unobligated balances that have since expired.
- l. Maintain controls so that reimbursable work should not be initiated until agreements are fully executed and reimbursable funds are made available to incur obligations.

1.3.9 The Headquarters Office of General Counsel shall review, provide legal guidance, and comment/concur, as appropriate, with each Headquarters-negotiated reimbursable agreement in accordance with applicable laws, regulations, and internal NASA policies.

1.3.10 The Centers' Office of Chief Counsel shall review, provide legal guidance, and comment/concur, as appropriate with each Center-negotiated reimbursable agreement in accordance with applicable laws, regulations, and internal NASA policies.

Chapter 2. Reimbursable Agreement Administrative Requirements

2.1 Introduction

2.1.1 This chapter issues requirements for administrative financial requirements of all reimbursable agreements.

2.1.2 Limits on Competition with U.S. Commercial Sources. Legal or policy considerations can affect the circumstances under which the Agency can make specific types of facilities or services available to non-Federal entities if commercial services are otherwise available. Centers with questions concerning the offering of specific services that are also available from a U.S. commercial source should contact their Center Chief Counsel.

2.2 Reimbursable Agreements

2.2.1 Reimbursable agreements shall contain the following minimum content, some of which may be provided following agreement approval. Information that may be provided following the agreement approval includes, but is not limited to internal NASA accounting classifications (e.g., the WBS codes(s) and sales order) and supplementary information regarding the contacts (e.g., telephone number and e-mail address). The Center legal office should provide guidance on the minimum information that is needed in advance before the agreement is signed and entered into. The minimum content includes:

- a. Legal authority applicable to NASA both for performing the reimbursable work and for crediting reimbursements to NASA appropriations.
- b. The name of the customer (in the case of another Federal agency as the customer, the name of the customer agency), a complete description of the work or services to be performed, descriptions of deliverables, and a statement of why the project is being supported.
- c. Identification and signature (with signature date) of the NASA official and the official of the customer designated to sign this agreement. The NASA official will ensure that the general terms and conditions are properly defined, including the stated statutory authorities, and that the scope of work can be fulfilled per the agreement. To the extent practicable, the agreement should include for each person the title, telephone number, fax number, and e-mail address.
- d. Period of performance, including initiation date, interim milestones, if relevant, and completion dates. The start date will be on or after the date the agreement is signed by both parties. The end date indicates when all orders under the agreement will be completed with delivery of products and/or services and closeout activity.
- e. Indication of the funding amount and, where applicable, the amount of an advance. Indication of the billing frequency, if other than monthly.
- f. Identification of the NASA performing organization.
- g. Identification of the customer payment office, phone number, address, Reimbursable Agreement Number, and any other identifying number (i.e., order number, date of Memorandum of Understanding).

- h. For non-Federal customers, the agreement should contain the requirement for advance payment (unless expressly waived).
- i. For Federal agency customers, agreements should generally include the information required by FMS Forms 7600A and 7600B, ² including:

² <http://www.fms.treas.gov/finstandard/forms.html>. Form 7600B is the equivalent of a purchase order.

(1) The statutory authority of customer agency to purchase products and/or services from NASA. Indicate whether the order by the customer agency falls under a Franchise Fund, Revolving Fund, Working Capital Fund, Economy Act, or other authority.

(2) The customer agency's Trading Partner code.

(3) The customer agency's fund citation, including the appropriation symbol and expiration date.

(4) The customer agency's Treasury Agency Location Code (ALC) and Dun and Bradstreet Universal Numbering System (DUNS) number.

j. For Federal customers that have approved billing and collection via Treasury's Intergovernmental Payment and Collection (IPAC) system, the signed agreement will contain the customer's financial information required to process the IPAC transactions. That financial information should include the customer's paying ALC, as well as the Treasury Account Symbol (TAS) and the Business Event Type Code (BETC) in order to adhere to the Government-Wide Accounting and (GWA) and Reporting Program.

k. Where multi-order agreements (i.e. umbrella agreement with annexes) are used, individual orders (annexes) will identify the goods and services ordered, prices, delivery terms, initiation date, and completion date, as appropriate. See NAI 1050.1, Space Act Agreements Guide. The legal authority under which each individual order is being conducted and priced will be explicitly stated on the each order. In those cases, executed annexes will comprise funding documents from which reimbursable budget authority is made available to perform work.

l. Descriptions of Interim or Final Financial Status Reporting. It is the responsibility of the reimbursable customer to specify content and frequency of interim or final financial status reports prepared by NASA and furnished to the reimbursable customer. Requirements for financial status reports, if any, should be included in the terms of the reimbursable agreement. Notwithstanding requirements for interim or final financial status reports, support for customer billings can be furnished as needed, as well as descriptions of balances remaining available to continue work under the agreement. If the customer is another Federal agency, in accordance with Treasury Financial Manual Volume 1, Bulletin No. 2011-04, "Intergovernmental Business Rules," such performance reporting shall be provided no later than 30 days after the accountable event, or before the close of the quarterly reporting period, whichever occurs first. Generally, it should be the responsibility of the performing organization subject to oversight from the Center CFO office (in consultation with a Mission Directorate, if applicable) to confirm that such financial status reporting to reimbursable customers is in agreement with and supported by accounting data. Where an agreement involves work by more than one NASA Center/facility, generally the financial status reporting to the reimbursable customer is the responsibility of the lead Center that negotiated the agreement or, if applicable, a Mission Directorate responsible for a multi-Center agreement.

m. Reporting of Full Cost to Federal Agency Customers. In accordance with SFFAS No. 30, Inter-Entity Cost Implementation: Amending SFFAS 4, Managerial Cost Accounting Standards and Concepts, NASA (as the performing agency on reimbursable agreements) shall be responsible in certain circumstances for reporting full costs of work being performed to the other agency customer regardless of what portion of the full costs are reimbursed. The customer agency should have already determined that full costs as reported by NASA: (1) are significant to the other agency; (2) form an integral or necessary part of the other agency's output; and (3) can be identified or matched to the reimbursable project with reasonable precision. It is the responsibility of the other agency (i.e., a Federal reimbursable customer) to include applicable reporting requirements in order to comply with SFFAS No. 30 in the reimbursable agreement. Unless the requirement for full-cost reporting is included in the terms of the reimbursable agreement, it will not be policy to report NASA's full costs to reimbursable customers of reimbursable agreements, other than as support for reimbursable billings.

2.2.2 Documentation of reimbursable agreements shall include:

a. Estimated Cost of the Work or Services, with any Revised Estimates. If there are revised cost estimates, document with a revised EPR. A revised EPR is required if the revised total reimbursable cost varies from the original estimated cost by more than \$10,000 and will be promptly submitted for review and approval by Center CFOs (for example, when the scope of reimbursable work or services has changed). Center CFOs have the latitude to require EPRs based on more stringent criteria (e.g., lower dollar thresholds). Regardless of whether there is a revised EPR, there should be a corresponding modification to the agreement signed by both parties to reflect an increase in cost to complete the work. Also, regardless of whether there is a revised EPR in the case of a revised cost estimate, there shall be justification(s) and approval for any waived costs. If there is a modification to a proposed funding source(s) for waived costs or indirect costs that are excluded (in accordance with policy or statute, such as CSLA), the agreement requires approval by the Center CFO. If revised estimates will affect the terms of the agreement with the reimbursable customer (i.e., expected total reimbursement from the customer, schedule, or scope of performance), signatures for an agreement modification should include those from an authorized NASA person and the reimbursable customer. If a revised estimate will not involve a change to the terms of the reimbursable agreement, approval of the modified estimate would be internal within NASA and would not require concurrence by the reimbursable customer. Examples of modifications that do not require a signature from the reimbursable customer would include changes to accounts being charged and amounts of alternative sources of funding for waived costs, as long as the amount ultimately due from the customer is not changed.

b. The total cost of the agreement, the price to be borne by the customer and the cost, if any, to be borne by NASA.

c. The funding citation(s) for the NASA portion of the work.

d. For non-Federal customers, an approved waiver of the advance payment requirement, if applicable.

e. The EPR supporting the agreement, which should include descriptions of significant cost components. Rate(s) at which indirect costs are to be applied (i.e., Center Management and Operations rate) may be indicated in the agreement.

2.2.3 Business Rules.

2.2.3.1 Each reimbursable agreement will be assigned a project WBS in accordance with Agency policies and requirements for program and project identification. All reimbursable agreements (or stand-alone orders under multiple order agreements) shall be numbered so that they can be

individually identified.

2.2.3.2 If the reimbursable agreement involves segments or portions of work established separately in the Agency accounting system, those shall be classified appropriately so each segment or portion can be associated with the reimbursable agreement. That can include, but is not limited to, accounting classifications to support work at different NASA Centers for portions of work under the agreement or separate accounting classifications set up in a succeeding fiscal year to support continuation of work under the same agreement.

2.2.3.3 Costs are to be recorded in accordance with the cost requirements of NPR 9060.1, Cost Accruals.

2.2.3.4 No commitments or obligations may be established nor costs incurred under a reimbursable agreement until the agreement has been approved and signed by authorized representatives of both NASA and the customer and the following conditions are met:

a. Formal reimbursable funding authority has been issued to the performing Center(s) through the Fund Control Process contained in NPR 9470.1, Budget Execution.

b. If the customer is a non-Federal entity, a cash advance has been received by the Center, except where otherwise authorized by law and approved by the Center CFO.

c. If the customer is a Federal agency, an advance or funds citation has been provided. Advances may be requested from Federal customers via IPAC for agreements greater than \$1 million or if determined by the NASA Center CFO to be in the best interests of NASA and the Center in order to maintain cash solvency.

2.2.3.5 The performance of reimbursable agreements is subject to all of NASA's normal program management, financial management, and Federal and NASA acquisition regulations, as applicable. In addition, the following requirements apply to reimbursable agreements:

a. Financial records and reports shall be maintained at both the customer order level, as well as the agreement level, to facilitate performance management and financial management.

b. Performance, billings, and closeouts will be executed on a timely basis as specified in the reimbursable agreement and in NPR 9210.1 and 9610.1. A refund to a reimbursable customer in the amount of \$100,000 or more requires the review and approval of the Center CFO.

c. Project management practices shall comply with requirements in NPR 7120.5. That includes requirements for Earned Value Management (EVM) flowed down from the reimbursable customer, if needed. In practice, this would apply to reimbursable agreements at NASA only under very limited circumstances, as described in NPR 7120.5 (which would primarily apply to very large agreements to be performed over an extended period).

d. NASA Headquarters and Centers shall comply with the intragovernmental transaction data and reconciliation requirements contained in the Business Rules for Intragovernmental Transactions. The rules are located in the Treasury Financial Manual Volume 1, Bulletin No. 2011-04, "Intragovernmental Business Rules." They are mandatory for all departments and agencies.

2.2.3.6 Before each Reimbursable Agreement is approved, the Center CFO office, Headquarters Office of Budget Management and System Support for Headquarters' agreements, and NMO for work to be performed by JPL shall ensure that all of the following requirements, at a minimum, are satisfied:

a. The reimbursable agreement shall explicitly state the legal authority under which the reimbursable agreement is being conducted.

- b. When portions of a reimbursable agreement are conducted under different legal authorities, the work performed under each authority shall be clearly identified as a separate task with a separate EPR that identifies the costs and pricing applicable to that task.
- c. The estimated full costs of performing the work are reviewed for each proposed agreement.
- d. When market-based pricing is used, the market-based pricing structure established for the Center shall be correctly applied to the agreement. The difference between the full-cost and the market-based price is the waived cost and will be shown in the price adjustment column of the EPR. Amounts billed and collected in excess of the full cost of providing the work shall be deposited into Treasury's Miscellaneous Receipts account, unless NASA has statutory authority to retain such amounts.
- e. If the amount of the price adjustment requires waiving any costs that will be incurred because of the agreement, the Center CFO shall verify that an alternative funding source is identified for the waived cost and that the program or project office concurs with the use of their funding. The Center CFO or the Agency CFO may seek concurrence from an applicable Mission Directorate regarding the use of program funding. All cost waivers involving reimbursable agreements in which the price to the customer is less than the direct cost require the approval of the Agency CFO.
- f. In the case of a non-Federal reimbursable customer, a cash advance will be obtained before performing work. Where a non-Federal party demonstrates a financial hardship or legal restriction prohibiting advance payments and is requesting that reimbursable work commence in advance of the receipt of funds by NASA, a waiver will be approved by the Center CFO. Such a waiver may only be approved if the work is of a type that NASA could properly fund on its own and funds are certified and allocated to account for costs that may accrue prior to the provision of funds by the non-Federal party. Where an advance is not received from a non-Federal reimbursable customer, ensure that a valid source of direct program funding would be available to fund reimbursable work in case a reimbursement is not realized from the non-Federal customer. A valid source of direct funding should be consistent with the intended purposes of direct program funding in accordance with 31 U.S.C. §1301(a). If NASA makes or authorizes an expenditure or obligation without a valid source of funding, that may constitute a violation of the Antideficiency Act.
- g. Multiple Orders Reimbursable Agreements. When a reimbursable Space Act agreement calls for the issuance of multiple individual orders, each order will be treated as a separate agreement for the purposes of costing, pricing, billing, and collection. The requirements of this NPR are to be applied to each order as if it were a single stand-alone agreement.
- h. Reimbursable Agreements with Federal Customers. By signing the agreement, the Requesting Agency confirms:
- (1) That a bona fide need exists and that funds are for the designated purpose, meet time limitations, and are legally available for the acquisition described in the agreement.
 - (2) That all unique funding and procurement requirements, including all statutory and regulatory requirements applicable to the funding being provided, have been disclosed to the Servicing Agency (i.e., NASA).
 - (3) All internal reviews and approvals required by the Requesting Agency prior to transferring funds to NASA have been completed.

2.2.4 Monitoring Controls. Internal controls will be established and enforced to prevent the amount chargeable to the customer from exceeding the reimbursement amount specified in the reimbursable agreement.

2.2.4.1 All levels of management involved in the execution of the reimbursable agreement, including, but not limited to, the reimbursable project manager, the agreements manager, the performing organization, and the Office of the CFO share this responsibility.

2.2.4.2 Reimbursable project costs shall be closely monitored so that if needed, additional funding can be requested from the customer before costs in excess of the agreed upon amount are incurred. In addition, controls will be in place to ensure that amounts collected from reimbursable customers are credited to the NASA appropriation and program year used to pay for the work.

2.2.4.3 NASA will not provide services or incur costs beyond the available funding amount. Although a good faith effort to accurately estimate costs is expected, NASA provides no assurance to the customer that the proposed effort under the agreement will be accomplished for the estimated amount.

a. Should the effort cost more than the estimate, the customer will be advised by NASA as soon as possible. If there is any uncertainty regarding obtaining sufficient funding to cover the work, it is the responsibility of the Agreement Manager and the project office to stop work until sufficient funding is made available based on a revised estimate.

b. If there is a revised estimate, the reimbursable customer shall pay all costs incurred and have the option of canceling the remaining effort or providing additional funding in order to continue the proposed effort under the revised estimate.

2.2.4.4 In general, in the absence of a signed agreement and distribution of reimbursable budget authority based on that signed agreement, direct (i.e. non-reimbursable) funding sources shall not be used to finance work in connection with the reimbursable project (exceptions are noted below in Section 2.2.4.5). Direct funding sources are not to be used to finance continuation of work by NASA because of insufficient reimbursable funding on the part of the customer.

2.2.4.5 Generally, use of direct funding sources for reimbursable work shall be limited to the following:

a. Costs associated with negotiating the agreement, determining technical specification and scope of work, scheduling of resources, estimating costs, and other costs that are reasonable and normally associated with preparation for reimbursable work.

b. Waived costs under the agreement based on benefits to NASA from the work or excluded (in accordance with policy or statute, such as CSLA), as documented on the EPR and approved by the Center CFO and as described in Section 4.2.4.

c. If an agreement is being negotiated with a reimbursable customer and it is determined that the scope of the work under the agreement is both time-sensitive and critical in the performance of NASA missions, such that NASA programs would be adversely impacted by delays in executing the reimbursable agreement (or delays in obtaining an advance from a non-Federal customer), a Center may authorize use of direct funds pending a signed agreement (with an advance, if applicable) and with an understanding that costs incurred would be eventually covered by reimbursable authority once the signed agreement (with an advance, if applicable) is obtained by the end of the fiscal year. A determination that the agreement is both time-sensitive and critical in the performance of NASA missions should occur only under unusual circumstances and may be proposed by the performing program office, but it will be approved by the Center CFO and Center legal counsel in consultation with the related NASA Mission Directorate (or the Office of International and Interagency Relations (OIIR) in cases of agreements with international partners). If a reimbursable agreement to cover that work is not executed by the end of the fiscal year (with an advance, if applicable), reimbursable budget authority will not be available and direct funds will have been used. By approving use of

direct funds under such circumstances, the Center CFO acknowledges both of the following:

- (1) The scope of the work is consistent with the purpose of direct funding available to the Center.
- (2) Sufficient direct funds are available without impacting other NASA programs.

2.2.4.6 Reimbursable Work for a Non-Federal Customer

a. Generally, reimbursable work for a non-Federal customer is preceded by an advance from the customer to cover the work. In some cases, NASA performs work and does not receive some or all of the reimbursement due from the customer. This occurs primarily in the following situations:

- (1) NASA and the customer have a dispute regarding the amount due from the customer under an agreement.
- (2) The requirement for an advance has been waived, and the customer fails to pay once work has been done.
- (3) NASA incurs costs for work in excess of the estimated price for the agreement, and the customer fails to pay for the additional work.
- (4) NASA incurs costs for work before reimbursable authority for the work is made available to the Center, and reimbursable authority is still not available before the end of the fiscal year.
- (5) NASA incurs costs for work before an agreement has been signed, and no agreement covering that work is ultimately executed.
- (6) NASA closes the agreement and determines that additional costs are chargeable to the agreement after excess funds have been returned to the customer.

b. If, after consultation with legal counsel, it is determined that NASA has a legal claim to recover additional reimbursement from a customer, relevant debt collection procedures shall be followed to recover the amount from the customer. Such debt collection activities would be the responsibility of the NSSC in consultation with the Center CFO office and, if needed, OCFO, in accordance with NPR 9610.1, Accounts Receivable. If it has been determined that the debt is uncollectible, the specific policies for collection and close-out of debt under NPR 9635.1, Billings and Collections, should be followed. The unreimbursed expenditure of appropriated funds should also be reviewed by the Center CFO and Center legal counsel (include OCFO and OGC if expired funds were involved) to determine whether use of such funds meets requirements relating to the purpose and period of availability of the charged appropriation for the work performed to determine if a deficiency situation exists.

c. If, after consultation with legal counsel, it is determined that NASA does not have a legal claim to recover additional reimbursement from a customer or a reimbursable authority is not available for the fiscal year covering the uncollected reimbursement, the unreimbursed expenditure of appropriated funds should be reviewed by the Center CFO and Center legal counsel (include OCFO and OGC if expired funds were involved) to determine whether use of such funds meets requirements relating to the purpose and period of availability of the charged appropriation for the work performed to determine if a deficiency situation exists.

d. If it is determined, either through a dispute with the customer or through an internal review, that NASA has incorrectly charged or retained customer funds, the billing (or liquidation of a customer advance, if applicable) corresponding to the costs in question should be reversed and an appropriate source of direct funding should be identified for any unreimbursed costs remaining after the reversal.

2.2.4.7 If direct funding is used to cover costs for reimbursable work and the work was not consistent with the intended purpose of the direct program funding or relevant direct funds were not available in the same period(s) in which the obligations were incurred, a deficiency situation might exist in accordance with the Antideficiency Act. The Antideficiency Act prohibits making or authorizing an expenditure from, or creating or authorizing an obligation under, any appropriation or fund in excess of the amount available in the appropriation or fund unless authorized by law. However, a deficiency situation might not necessarily arise if unreimbursed costs are non-incremental, i.e., costs are shared with another valid source of funding (e.g., CMO, other indirect costs) and which would be incurred by NASA without the reimbursable agreement that should be part of an analysis by the Center CFO and Center legal counsel (include OCFO and OGC if expired funds were involved) in circumstances as described above in order to determine if a deficiency situation exists.

2.2.4.8 Should work under the agreement be terminated prior to completion, or the effort completed at a cost less than the agreed estimated cost, NASA shall account for any unobligated as well as any undisbursed funds within a reasonable period (generally within 30 days, but which may be specified in the agreement) after completion of all work and promptly thereafter, return any unobligated advance funds to the customer. Regarding obligated but undisbursed funds, NASA has incurred binding obligations on behalf of the customer and should retain advance funds pending resolution of the obligations (either deobligation or payment to vendors).

2.3 Estimated Price Reports (EPRs)

2.3.4 All proposed reimbursable agreements forwarded to the Center CFO or Headquarters, Funds Control and Distribution Branch, for concurrence will be accompanied by an EPR showing the estimated cost-by-cost element (except for umbrella agreements that do not include annexes with funding requirements). All proposed waived costs (or cost exclusions under a CSLA or similar agreement) will be identified in the Price Adjustment column on the EPR. The requirements for determining, approving, and documenting the market-based level of reimbursement are identified in Chapter 4 of this NPR.

2.3.4.1 During the planning for the reimbursable agreement, the lead NASA Center will determine whether some of the work might be performed at other Centers and, as needed, will collaborate with other Centers to ensure that all costs to be incurred by each participating NASA Center and related schedules will be included in support of the agreement.

2.3.4.2 If it has been determined that other Centers will be expected to perform some of the work under the agreement, terms of the agreement affecting the price to the customer (e.g., use of a reduced CMO rate) will apply to work being done at other NASA Centers. The lead NASA Center shall negotiate any planned waived costs with other Centers planning to do that work and will obtain concurrences from the CFO offices at those Centers for the waiving of those costs. If costs other than CMO are waived at the other NASA Centers, that will also be agreed to by the offices at those Centers responsible for providing the alternative source of funding for the waived costs.

2.3.5 A sample of the EPR format is provided as APPENDIX D of this NPR. The items listed on the sample EPR represent the minimum information that will be documented on the EPR. Centers may create worksheets that are reasonable facsimiles of the sample EPR. However, as stated above, the information in the sample EPR represents the minimum information expected. A Center worksheet constituting an EPR shall provide support for full costs of the project, clearly identify the components of the price to be charged to the customer, and account for any costs that are waived or indirect costs that are excluded, in order to arrive at the price to be charged. The total of any details comprising the full cost of the effort, the total of the price adjustments, and the total comprising the

price to the customer should be apparent.

2.3.6 If the price to be charged to the customer is greater than the full cost of performing the work, the EPR shall contain sufficient explanatory notes to make it clear that the price is greater than the cost. The amount collected that exceeds the full cost will be deposited to Miscellaneous Receipts at Treasury, unless NASA has statutory authority to retain such amounts.

2.3.7 Generally, the total of the price to the customer on the EPR is to be considered support for the reimbursable order accepted to be posted in the accounting system as the basis for reimbursable budget authority. As discussed in Section 2.2.2, a revised EPR is not required if a revised estimate is insignificant with respect to the agreement.

2.3.8 The EPR is to be considered an internal NASA planning document. It is not itself a part of the contractual agreement with the customer but is intended to provide support to the estimates developed for performing the work. The amount eventually due from the customer might differ from the estimates in the EPR depending on the terms of the reimbursable agreement. The information contained in the EPR may be shared with the customer but with an understanding that it is a basis for a planning estimate and the amount that will be eventually due from the customer will be based on terms included in the agreement. In addition, cost breakdowns included in the EPR are to be considered planning estimates and are not binding ceilings in the contractual agreement unless expressly indicated in the agreement.

2.4 Advances Received

2.4.1 When advances are received from non-Federal reimbursable customers they will be deposited promptly in accordance with the procedures in NPR 9635.1, Billing and Collection. Advances from Federal reimbursable customers should be requested via IPAC for deposit to the NASA appropriation being used to execute the work. Cash advances should be received from non-Federal entities by the NASA Shared Service Center (NSSC) on behalf of Centers.

2.4.2 Advances Received by NASA. All advances received from reimbursable customers, both Federal and non-Federal, will be credited as Advances from Others to the NASA appropriation that is being used to execute the work and will reference the relevant reimbursable agreement, regardless of whether performance of the requested work is pending. Advances from reimbursable customers are received and deposited by the NSSC. Centers are responsible for recording reimbursable advances in the accounting system. If an advance is received, but a valid signed agreement has not yet been executed or if there is a delay in establishing accounting classifications representing the reimbursable agreement, the advance should credit the account established for Advances without Orders from non-Federal Sources, in accordance with guidance from the Agency OCFO.

2.4.3 If the customer is a non-Federal entity and the requirement for an advance has not been expressly waived, interim/partial advances for the work to be performed under the agreement may be approved by the Center CFO. Such advances cover work to be performed through specific periods (e.g., through a fiscal quarter or through a specific date) or through logical breakpoints or milestones in work so that the next phase or series of tasks proceed only after sufficient advance funding is received. In those circumstances, the Center shall maintain controls to ensure that sufficient funding to continue work and incur obligations will be made available only after a corresponding advance is received from the customer and that obligations could be incurred only up to the amount of the outstanding advance.

2.5 Billing and Collection

2.5.1 Billing.

2.5.1.1 Billing Frequency. Generally, as costs are incurred, the NSSC bills reimbursable customers monthly. Billing frequency might, however, vary from monthly if specified in the reimbursable agreement. The monthly calculation and processing of an amount owed to NASA is required whether or not an advance has been received. In those cases where an advance has been received, the billing triggers a reduction of the balance in the "Advances from Others" general ledger account in the amount of the bill.

2.5.1.2 Cost-Effectiveness of Interim Billings. Unless specified otherwise in the agreement, a regular interim reimbursable billing could be deferred when the amount of a periodic billing would not be cost-effective to process and the Center expects that additional cost will be recorded. That shall be based on an analysis of transaction processing costs by OCFO in collaboration with the NSSC.

- a. Generally, there should be a basis for deferring a billing if the amount of the bill is less than the incremental cost of processing the bill and the related collection.
- b. Agency collection procedures should provide for periodic comparisons of costs incurred and amounts collected in order to determine cost-effective dollar thresholds at which to process interim reimbursable billings.
- c. Reimbursable costs that are considered final will be billed when incurred notwithstanding a dollar threshold for cost-effective billing, as described above. A final bill shall include any unbilled balance brought forward from previous periods.
- d. Reimbursable costs shall be billed when incurred, if required by provisions in the reimbursable agreement, or if work has been suspended and it is expected that additional billings will not be forthcoming on a recurring basis.
- e. An amount that remains unbilled (because an interim billing has been deferred) would be brought forward in the next billing cycle as a beginning unbilled balance.
- f. NASA Centers, including project and resource staffs responsible for performance and financial status reporting to reimbursable customers, shall account for any reimbursable costs that have not yet been billed.
- g. Any process for deferring interim billings will provide for the timely recognition of reimbursable revenue and shall be approved by the Director, Financial Management Division, OCFO.

2.5.1.3 Each bill will show the agreement number, provide other information needed by the customer, and reflect the data requirements that were agreed to and included in the reimbursable agreement.

2.5.1.4 Collections for cost incurred will be immediately deposited to NASA appropriations. Amounts billed in excess of full costs incurred by NASA shall be deposited to the Treasury Miscellaneous Receipts account (Account 803220, General Fund Proprietary Receipts) when collected, unless NASA has statutory authority to retain such amounts.

2.5.1.5 Headquarters Negotiated Reimbursable Agreements. In the case of reimbursable agreements negotiated by NASA Headquarters, the NASA Center performing the work is responsible for validating amounts of the customer's proposed billings as costs are incurred in collaboration with the NSSC, which is responsible for the actual billing process. When more than one Center is assigned responsibility for portions of a Headquarters-negotiated agreement, each participating Center will be issued specific reimbursable authority. The Executive Director for Headquarters Operations will be

responsible for tracking the financial status of the entire agreement. The Headquarters office that negotiated the agreement will provide the performing Centers copies of the agreement and any applicable supplemental data.

2.5.1.6 In order to ensure validity, cost and billings should be regularly reviewed by persons knowledgeable in resource utilization of the project. Corrections or adjustments to reimbursable billings will be accomplished in a timely manner. If possible, corrections will be accomplished within the same accounting period as that in which discrepancies were identified. Corrections and adjustments shall be associated with the accounting periods in which the corrections were recorded.

2.5.1.7 Payment Methods. NASA Centers should make every effort to have customers submit all payments electronically, including advances. NPR 9050.4 describes the various electronic payment methods that can be used by Federal and non-Federal customers.

2.5.1.8 Prompt payment Interest. Per guidance in the memorandum from the Administrator, Office of Federal Procurement Policy (OFPP-OMB), "Improving the Management and Use of Interagency Acquisitions," June 2008, the customer is responsible for interest owed under the Prompt Payment Act except that the Servicing Agency (i.e., NASA) is responsible for interest owed to the contractor due to delays created by actions of NASA. Consequently, if the delay resulting in Prompt Pay interest is the fault of NASA, the interest should be absorbed by a NASA direct funding source and not billed to the reimbursable customer.

2.5.1.9 Per OMB Circular No. A-11, Preparation, Submission, and Execution of the Budget, transactions authorized by the Economy Act are limited by the statutory requirement that the amount obligated by the ordering appropriation is required to be deobligated to the extent that the agency or unit filling the order has not incurred obligations before the end of the period of availability of the ordering appropriation. Funds should no longer be available to incur new obligations by NASA after the appropriation from the ordering agency has expired. Consequently, NASA should resolve all billing and costing issues with the Federal reimbursable customer as much as possible prior to the expiration of the ordering agency's funds.

2.5.1.10 A preliminary final bill shall be submitted to the reimbursable customer as specified in the agreement or no later than 90 days after the agreement completion date. The final bill will be submitted to the customer by the end of the month in which the final costs are recorded or as soon as possible thereafter.

a. For non-Federal customers, advances which have not been offset by charges in accordance with the reimbursable agreement will be refunded. If actual costs are projected to exceed estimated costs, NASA shall make a reasonable effort to obtain additional funding from the customer to bill and to collect for the actual costs in excess of estimated cost, unless specifically waived by the Center CFO (e.g., where the amounts owed are inconsequential and the cost to collect payment will exceed the amount owed).

b. For Federal customers, any advances which have not been offset by actual costs will be refunded. NASA shall bill and collect for all actual costs in excess of the estimated cost where provided for in the agreement unless specifically waived by the Center CFO (e.g., where the amounts owed are inconsequential).

c. In order to minimize excessive refunds or additional billings, every effort shall be made to ensure that all costs and cost adjustments are recorded in a timely manner.

d. A claim for reimbursement to recover from the customer reimbursable costs that have been incurred by NASA and which cannot be offset against a cash advance can be considered reimbursable debt. Generally, since agreements with non-Federal customers are accompanied by an

advance, reimbursable debt should not normally arise. In the case of agreements with Federal customers, since costs are generally reimbursed by IPAC, debts should normally be promptly collected. If reimbursable debts remain outstanding, debt collection efforts are to be pursued by the Agency. If reimbursable debts to recover costs incurred on behalf of the reimbursable customer are determined to be uncollectible, they may not be written off. An alternative source of funding shall be identified to cover costs that have already been incurred. See Section 2.2.4.5.

e. A billing for an appropriation refund, which typically represents an overpayment to a vendor or to an employee, shall not be considered as an equivalent to a reimbursable debt and, accordingly, would not result in earned reimbursable income, regardless of whether reimbursable funds are involved. Budgetary authority for the amount of the debt is restored under the agreement only after the amount is collected. Such debts may be written off if they are determined to be uncollectible after debt collection efforts, in accordance with guidance in OMB Circular A-129, Policies for Federal Credit Programs and Non-Tax Receivables, NPR 9610.1, and NPR 9635.1.

2.5.2 Recording Collections

2.5.2.7 Agreements with Advances. Where money has been collected in advance, the funds should be recorded as advances received from others. The advance account is liquidated as described above in Section 2.5.1.1.

2.5.2.2 Agreements without Advances. Where money has not been collected in advance, Centers should bill as described above or as specified in the agreement based on costs incurred. Each bill will identify the specific agreement number and be forwarded to the customer in accordance with the instructions contained in the agreement. For costs incurred at the Center level, collections shall be credited to the NASA appropriation that was used to fund the reimbursable work.

2.6 Financial Reporting

2.6.1 The financial status of each reimbursable agreement should be available to the NASA Project Manager, as well as the participating service pool managers, within seven business days after the end of the month, so that all needed information is available to support proper management of reimbursable agreements.

2.6.2 The Center CFO office is responsible for trading partner reporting information on the status of revenue earned to Federal reimbursable customers on a monthly basis, as required by Treasury Financial Manual Volume 1, Bulletin No. 2011-04, "Intergovernmental Business Rules."

2.6.3 Application of Reimbursements Received.

2.6.3.1 Receipts from reimbursable work may be credited to NASA appropriations, based on the principle that actual costs have increased, directly or indirectly to NASA as a result of the reimbursable work unless a statutory exception permits their retention. Receipts from reimbursable work may only be credited to the fiscal year appropriation from which the cost of providing the service was paid. Otherwise, receipts should be credited to the Treasury Miscellaneous Receipts Account. The following will be considered in making this determination:

a. NASA shall ensure that funds received represent reasonable compensation for costs incurred. An amount received in excess of the amount billed under the agreement (which typically represents actual full cost incurred) will be returned to the customer. The only exceptions are agreements where NASA charges market price and the market price exceeds NASA's full cost or if there is a variance when standard cost rates are used resulting in amounts charged in excess of actual costs incurred. In those situations, the amount billed and received that exceeds full cost will be deposited to the

Treasury Miscellaneous Receipts Account, unless specific legislative authority, such as the EUL authority, permits retention by the Agency.

2.6.3.2 Budgetary Resources and Appropriation Augmentation.

a. Reimbursements credited to NASA appropriations may not exceed the costs incurred in the performance of the associated reimbursable agreement, unless specific legislative authority permits retention by the Agency. Depositing amounts in excess of costs incurred to NASA appropriations would represent an unauthorized augmentation of NASA's appropriations. Amounts collected that exceed costs incurred will be deposited as Miscellaneous Receipts.

b. NASA's reimbursable budget authority is provided by OMB incident to the Agency's request in the President's annual budget. This reimbursable authority is not the same as direct budget authority. Reimbursable budget authority is authority to enter into reimbursable agreements with other entities and accept funding from other entities as reimbursement for the cost of services rendered or goods provided. Budgetary resources become available to incur obligations only after reimbursable agreements are entered into and remain available as long as the fund under which the reimbursable work remains available or the customer's funds remain available (if the customer is another Federal agency), whichever is shorter. If the customer's funds remain available into a new fiscal year after NASA's reimbursable authority has expired, continuation of work by NASA under the agreement will be set up with authority made available in the new fiscal year and offsetting anticipated reimbursements apportioned by OMB in the new fiscal year. Reimbursable work involves the receipt of funds from sources other than NASA's direct appropriations and crediting them to NASA appropriations.

2.6.4 Budgetary resources available to perform work for a reimbursable customer are limited to only what is realized as a consequence of the specific agreement involved. Budgetary resources associated with a particular reimbursable agreement or customer shall not be made available for performing work for a different agreement or customer.

2.6.5 Recognition of Earned Reimbursements. In accordance with SFFAS No. 7, Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting, "earned" or "exchange" revenues are earned when a Government entity provides goods and services to the public or to another Government entity for a price. In practice, that would correspond to costs incurred by NASA in performance of work associated with a reimbursable agreement.

2.6.6 Indirect costs will be recognized as reimbursable services are rendered and reimbursements earned. That should not, however, affect contractual arrangements or billing provisions in reimbursable agreements. In cases where amounts to cover indirect costs are collected but not yet earned, those amounts shall be recorded as advances to be applied as costs, as services are rendered and revenue is earned.

2.6.7 Because of the discretion available to each Center concerning the selection of the legal authority under which a reimbursable agreement is conducted and decisions to waive costs, Center CFO's shall collect information on and monitor all reimbursable agreements priced at less than full cost to ensure consistency of pricing and fairness across all customers.

2.6.8 Center CFOs shall submit a reimbursable activity report annually to the Agency OCFO. The report will include the number and dollar value of reimbursable agreements and data on waived and excluded costs. The report format will be issued annually to Center CFOs by the OCFO.

Chapter 3. Determining Reimbursable Agreement Full Cost

3.1 Introduction

3.1.1 This chapter covers the determination of reimbursable agreement full cost. All reimbursable agreements shall be initially developed on a full cost basis. Chapter 4 of this document contains instructions for establishing the required level of reimbursement. Before a reimbursable agreement for work is accepted, the full cost of reimbursable work will be calculated and documented on the EPR.

3.2 Types of Cost

3.2.1 Full Cost. For purposes of reimbursable work, full cost includes all direct and indirect resources used to provide the specific work. See Attachment A for the definition of full cost. In general and in the context of this section, the term "output" could be considered analogous to the reimbursable project.

3.2.2 Direct Costs. Direct costs are costs specifically identified with an output. All direct costs should be included in the full cost of outputs. Typical direct costs in the production of an output include:

- a. Salaries and other benefits for employees who work directly on the output.
- b. Materials and supplies used in the work.
- c. Various costs associated with office space, equipment, facilities, and utilities that are used exclusively to produce the output.
- d. Costs of goods or services received from other segments or entities that are used to produce the output.
- e. Other costs related to the production of the output.

3.2.2.1 These items should be individually identified and shall be applied directly to the reimbursable project. These are costs that can be directly traced to the reimbursable work. Direct costs include service pool labor and materials that are directly charged to a reimbursable agreement.

3.2.3 Indirect Costs. Indirect costs are costs of resources that are jointly or commonly used to produce two or more types of outputs, but are not specifically identifiable with any of the outputs. Typical examples of indirect costs include costs of general and administrative services, general research and technical support, security, rent, employee health, and recreation facilities. Indirect costs typically also include operating and maintenance costs for buildings and equipment. In general, if those costs cannot be assigned to outputs on a cause-and-effect basis in an economically feasible manner, assignment of those costs can be accomplished through reasonable allocations (e.g., CMO).

3.2.3.1 Following are examples of indirect costs used by NASA.

- a. Agency-Wide CMO Rate. CMO funds all Center administration and support costs necessary to operate and maintain the Center. At least annually the Agency OCFO will establish an Agency CMO rate to be used by the Center to develop the full cost of reimbursable agreements and should

be included on the appropriate line on the EPR. The single Agency-wide CMO rate is developed by OCFO and is to be used by all NASA Centers (except for reimbursable agreements involving HQ or the NMO for work to be performed by JPL (an FFRDC). Estimated CMO shall be calculated as part of the EPR before the agreement is signed. CMO is earned as the reimbursable services are performed.

(1) In general, the Center may consider the CMO rate in effect at the time the agreement is signed to be applicable for the life of the agreement, but not longer than five years. If an agreement is proposed in which the CMO rate would be fixed for longer than five years, that shall be approved by OCFO. Alternatively, a Center may, at its discretion, apply a revised CMO rate on an agreement (based on the prevailing Agency-wide CMO rate at the time), unless a specific rate is expressly indicated in the agreement with the reimbursable customer.

(2) If a Center has entered into an agreement and considers the CMO rate in effect at the time the agreement is signed to be applicable for the life of the agreement and if OCFO has determined that significant cost factors (as determined by OCFO) justify reconsideration of those rates, OCFO may direct Centers to use an updated rate unless a specific rate is expressly indicated in the agreement with the reimbursable customer.

(3) If a CMO rate is adjusted during the life of an agreement, CMO assessments shall not be retroactively recalculated. That would not, however, preclude valid corrections and adjustments. If there are valid prior period corrections that affect CMO calculations, corrections that affect CMO would be based on the CMO rate applicable to the agreement for the period being corrected.

(4) If a Center establishes a CMO rate on an agreement to be less than the Agency-wide CMO rate at the time the agreement is entered into, the difference shall be shown as waived cost in the EPR.

(5) A CMO rate is established for an agreement as described above and is not based on rates used with previous agreements. A Center shall not use rates on previous agreements, regardless of whether the same customer is involved, because it considers prior use of those rates to be customary and normal business practice.

b. Contract Administration and Audit Services (CAAS). When the contract costs associated with a reimbursable agreement exceed \$1 million and require NASA procurement services, including contracts and grants, the full cost will include the cost of CAAS support. As needed, the Agency OCFO will update a standard CAAS rate that will be used to develop the full cost of reimbursable agreements. That rate will be available, if requested, by OCFO and may be issued at the same time as updated CMO rates. The CAAS rate in effect at the time the agreement is signed will be used to determine the applicable CAAS cost. The estimated CAAS cost is calculated by multiplying the planned contract cost (i.e., the contract that is equal to or greater than \$1 million) by the established rate. The CAAS assessment cost is calculated by multiplying the cost incurred associated with a contract of \$1 million or greater by the established rate. CAAS charges are applicable to pass-through contract actions if the contract requires CAAS services and the other party's share of the total contract exceeds \$1 million. An estimate of CAAS charges should be included on the appropriate line on the EPR.

c. Agency Management and Operation (AM&O). Generally, there is no AM&O assessment on reimbursable agreements charged to reimbursable customers. The Agency CFO may make a determination of whether to prescribe such an AM&O assessment. Policy does provide, however, for an Administrative Fee for Headquarters and JPL (an FFRDC) Reimbursable Agreements, as discussed below

d. Administrative Fee for Reimbursable Agreements Involving Headquarters or the NMO for work to be performed by JPL (an FFRDC). An administrative fee shall be included in the cost of all

reimbursable agreements that will be executed by Headquarters or NMO (for work to be performed by JPL (an FFRDC)). This administrative fee is required so that NASA may recoup the cost associated with the management of the reimbursable agreements. The Agency CFO or delegate will determine whether to prescribe a rate specifically for that purpose, to use an Agency AM&O rate, or to defer to the Headquarters Office of Budget Management and System Support for determining the administrative fee. The rate to be used for determining administrative fees on Headquarters agreements or NMO agreements (for work to be performed by JPL (an FFRDC)) will be recalculated by the Headquarters Office of Budget Management and System Support or by the Agency OCFO, as needed.

e. Pass-Through Reimbursement Fee. NASA Centers may impose an administrative charge to cover the cost associated with processing a pass-through reimbursement agreement. Cost components for calculating the pass-through reimbursement fee generally include the Office of Procurement, CFO, Office of Chief Counsel, Partnership/Development Office, and Center Director Office. The administrative fee shall be approved by the Center CFO. If there is an administrative fee on pass-through agreements, the NASA Center shall calculate a rate that would generally be applied to pass-through agreements throughout the year, but it may be subject to adjustment if the Center CFO determines there is a need to do so in order to more correctly reflect administrative costs in calculation of the rate. That rate will be provided to OCFO as requested or may be requested by OCFO annually (and if adjusted, during the year by the Center). Such a rate will be recalculated at least biennially.

(1) Pass-Through Rate Reimbursements. Pass-through reimbursements represent agreements where NASA allows another party to obtain services from a NASA contract as a convenience to the other party. In such cases, NASA is not providing any type of product, service, or use of facilities other than the processing of the contract.

(a) Examples include NASA accepting funding from another party for the other party's share of a utility bill when service for both parties has been established under a single utility contract. Another example is where NASA pays for repairs on a fence and the entity on the other side of the fence shares that cost. The other party reimburses NASA to cover the cost of work on the portion of the fence that runs on their property.

(b) NASA Centers may charge an administrative fee to cover the cost associated with processing this type of reimbursement. That administrative fee can be alternatively referred to as a pass-through rate and would be charged in place of a CMO assessment.

(2) Partial Pass-Through Rate Reimbursements. If a significant portion of the total agreement could be considered pass-through because it meets the criteria indicated below while other work by NASA under the agreement does not meet the criteria for pass-through agreements, that portion of the agreement with characteristics of pass-through agreements shall be considered an equivalent of a pass-through agreement (i.e., subject to a pass-through administrative fee) while the remaining work is to be subject to standard indirect cost assessments (e.g., CMO). Such arrangements would be applicable if the portion of the agreement meeting criteria for a pass-through agreement is at least \$500,000 (direct costs) or at least 50 percent of the total direct costs under the agreement (i.e., before indirect cost assessments). If possible, the portion of a contract considered as pass-through should be distinguished by a separate task or other similar breakout. The portion of the agreement considered as pass-through (and subject to the Center pass-through rate) and the remaining portion of the agreement (subject to other standard indirect cost rates) should be distinguished on separate EPRs.

(3) Generally, criteria for determining whether an agreement can be considered for utilization of a pass-through rate include all of the following:

(a) Work for the customer is incidental to and can utilize an existing contract vehicle or service that the Center already has entered into or it consists of a contract action (which may include contracts or small purchases) that would not require special terms or scope developed by NASA (e.g., utilities, commonly processed small purchases). Such a procurement may include a contract vehicle where the reimbursable customer has developed the technical content while NASA is basically executing the contract action.

(b) If work for the customer is covered by an existing contract, it would generally be within the scope of the existing contract and it would not require significant contract modification or revision to a Statement of Work.

(c) Work for the customer would not require significant technical oversight or direction by NASA. Accordingly, a contract would not include a Statement of Work tailored for this agreement to meet the requirements of the reimbursable customer. Some limited and insignificant participation by NASA would be allowable in order to provide for normal contract management, monitoring of contract performance, and financial management responsibilities by NASA.

(d) Work would not involve use of NASA facilities or other resources (e.g., civil service labor). As indicated above, some limited insignificant participation by NASA would be allowable in order to provide for basic administrative functions.

3.3 Capital Assets Acquired Under the Reimbursable Agreement

3.3.4 Generally, reimbursable funds cannot be used to fund acquisitions of capital assets or property upgrades that meet capitalization criteria as described in NPR 9250.1 Property, Plant, and Equipment and Operating Materials and Supplies.

Note: That does not apply to the Capital Asset Account associated with the Enhanced Use Lease (EUL) program as described in Chapter 5. The Capital Asset Account associated with the EUL program is available for maintenance, capital revitalization, and improvements of the real property assets and related personal property and may involve acquisitions or upgrades of property.

3.3.5 As described in NPR 9250.1, if property is required in order to perform work for the reimbursable customer and when NASA incurs the cost to acquire such Property, Plant, and Equipment (PP&E) or capital improvement, the cost is recorded as an expense and becomes part of the cost billed to the reimbursable customer. If, at the end of the reimbursable agreement, the Center CFO, in consultation with the Center Office of Chief Counsel, determines that NASA may appropriately retain such PP&E or capital improvement, the transaction to record the PP&E or capital improvement as a NASA asset is a separate transaction that has no effect on the amounts previously recorded for the reimbursable agreement or amounts charged to the reimbursable customer.

3.4 Calculating the Full Cost of Reimbursable Agreements

3.4.1 For purposes of reimbursable work, full cost means all direct and indirect costs (e.g. CMO, CAAS, and pass-through fee) used to provide the specific work (see Appendix A for definition of full cost). NASA policy is that standard rates based on experience of similar work will be used whenever possible and practical to calculate the full cost of the reimbursable project.

3.4.1.1 Standard Rates or Charges. A standard rate (\$/unit) or charge based on consumption can be determined for some services or components of services that are required to complete a reimbursable project. For example, wind tunnel usage is charged based on a standard rate for each hour the wind tunnel is operated. Standard charging applies when there is recurrent demand for the same or similar goods or services and actual costs for those goods or services are not expected to fluctuate significantly. This type of charging is determined in advance and can readily be applied to cost the related components of a customer's reimbursable project.

a. Standard rates shall be periodically reviewed and adjusted to ensure that actual costs are recovered. Such reviews will be performed at least on a biennial basis.

b. If standard rates are used for estimating the full cost of an agreement and as a basis for pricing, the actual costs for performing the work shall still be tracked so that variances between standard costs used for the activity and the actual costs can be computed. Actual costs could be tracked by type of activity, facility, or cost pool, where appropriate, in order to support analysis of variances rather than tracking actual costs by individual agreement. If there are recurring variances between standard rates and actual costs, standard rates will be reviewed and adjusted, as described above.

3.4.1.2 Individual Agreement Costing. When the full cost of a reimbursable project cannot be estimated using standard rates or charges, Centers shall estimate the full cost by projecting resources to be consumed by the reimbursable project and costs of those resources. NASA Centers will conduct an analysis to identify each cost element involved and how to assign that cost to the project.

3.4.2 Cost Assignment.

3.4.2.1 In developing a method for costing and assigning cost to reimbursable work, NASA shall use Generally Accepted Accounting Principles (GAAP). In accordance with SFFAS No. 4, Managerial Cost Accounting Standards and Concepts, full cost of output is the total amount of resources used to produce the output. This includes direct and indirect costs that contribute to the output, regardless of funding sources.

3.4.2.2 GAAPs provide an order of preference framework for assigning costs:

- a. Directly trace costs wherever feasible and economically practicable.
- b. Assign costs on a cause-and-effect basis.
- c. Allocate costs on a reasonable and consistent basis.

3.4.2.3 When reimbursable projects use the same types of goods or services as direct-funded projects, the reimbursable projects will be costed using the same rates and basis of consumption as the direct-funded projects.

3.4.2.4 Recognizing that the computation of full cost cannot always be exact, NASA will strive to achieve a high degree of precision in costing reimbursable work. The following restatement of a Comptroller General decision was taken from the Government Accountability Office's (GAO's) "Principles of Appropriations Law" Second Edition, Volume IV, pages 15-40 and 15-41 and can generally be applied to estimating the cost of NASA agreements under any authority: "While at times actual cost can be computed with precision, the Economy Act does not require that the determination be an exact science. Cases on reimbursable work even before the Economy Act recognized the acceptability of a reasonable and appropriate methodology over 'absolutely accurate ascertainment' which might entail considerable burden and expense, 3 Comp. Gen. 974 (1924). As stated in B-133913, January 21, 1958, '[a]s long as the amount agreed upon results from a bona fide attempt to determine the actual cost and, in fact, reasonably approximates the actual cost,' the Economy Act is satisfied."

3.4.3 The full cost of the reimbursable agreement should only include work that is specifically requested by the customer. Additional work or scope added by NASA, which is not for the benefit of the reimbursable customer and which is funded by NASA, should not be included in the full cost determination.

3.4.4 Calculating Full Cost of Collaborative Reimbursable Agreements.

3.4.4.1 In cases where NASA and the customer jointly collaborate on a project, the EPR full cost should be calculated only for the customer's portion of the work. Under these types of collaborative agreements, the customer's responsibility is usually identified under the "partner responsibility" section of the agreement. In general, the full cost as shown on the EPR should reflect the scope/content of the work being performed by NASA for the reimbursable customer. NASA should not include in the EPR full cost calculation work that is specifically part of a NASA project that is direct program funded (i.e., appropriated) and which would otherwise be performed regardless of the reimbursable work. A reasonable portion of shared costs (e.g., set up, engineering support) may, however, be associated with the reimbursable project. If there is a basis for waiving some of the costs for the scope of the work being performed for the reimbursable customer, those costs will be included in the EPR full cost even if the alternative source of funding for those costs is a direct-appropriated NASA program.

3.4.4.2 While the EPR full cost is only calculated for the customer's portion of the work, Centers should estimate the "Total Project Cost" for collaborative agreements. Total project cost is the sum of the agreement's full cost shown on the EPR, plus the full cost of NASA's portion of the work for the collaborative project (i.e., the portion of the project not reflected in the EPR as part of the full cost of the customer's portion of the work). This information will be included as supplemental information to the EPR and used for management analysis and additional visibility into the full scope of the collaborative effort.

3.4.5 Costs absorbed by a NASA program intended to sustain a facility or activity and which are normally not recovered from a customer (without waived costs specific to the agreement and as separately described) shall not be included in the full cost of the agreement on the EPR and, consequently, would not be treated as waived costs. For example, certain facility costs absorbed by the Strategic Capabilities Assets Program (SCAP) that are determined independent of the agreement being priced would not be included in the full cost of the agreement on the EPR.

3.4.6 Cost of Agreements for Facilities/Space. Generally, a Center entering into an agreement for occupancy by another party of a NASA facility shall prepare an estimate of the cost to the Center per unit of space (e.g., cost per square foot) of the property or other similar measure based on an objective and systematic analysis of the type of property being used (e.g., office space and undeveloped land). That cost should reflect indirect costs, general use of facilities services (i.e., shared charge for security services, procurement, and general administrative activities), and building maintenance (including both routine and major building repairs) of comparable properties at the Center. A charge should be calculated based on the utilization of space by the lease times the cost per unit of space as described above and shall be included as part of a regular recurring payment by the tenant/lessee.

3.4.6.1 If a Center calculates a cost for the facility based on a rate such as cost per unit of space (e.g., cost per square foot) or other similar general measures for common cost allocations as described above, the resulting cost, which would include an amount to recover administrative costs, shall be considered the full cost of facility under the agreement.

3.4.6.2 Such general calculations to establish rates for cost per unit of space (e.g., cost per square foot) or other similar general measures for common cost allocations may be done periodically and

are not required to be recalculated for each agreement. Those rates should be recalculated at least biennially. The Center may derive costs per unit of space for different classes of facility/property (as determined by the Center to be appropriate for its circumstances) rather than try to derive costs per unit of space for each building. An example would be a calculation of cost per unit of space for general office space that could be used for lease agreements in different buildings.

3.4.6.3 If the Center enters into occasional agreements involving facility space, and if the Center CFO determines that it is not cost-effective to derive costs per unit of space or other similar general measures for common cost allocations, and if the Center has a reasonable basis for estimating costs based on experience or costs at similar facilities, the Center may use those rates when calculating the cost of the agreement. Such rates may be based on inputs that include but are not limited to appraisals, consultant studies, surveys, use of cost finding techniques, etc. (as long as the basis for cost estimates is intended to reflect cost data rather than a market value for the facility).

3.4.6.4 If the agreement with the customer includes performance by NASA of services other than those customarily associated with occupancy of space on a NASA facility, costs for those portions of the agreement shall be included on an EPR in a manner similar to other non-facility agreements, be generally priced at full cost, and would be subject to a standard CMO assessment or pass-through fee as appropriate. That may also include supplementary services priced separately (e.g., for utilities). That does not preclude, however, price adjustments by the Center to reflect waived costs as described elsewhere in this directive.

3.4.6.5 If certain services supporting the customer occupying a NASA facility are disproportionate with respect to those normally provided (e.g., non-routine IT support services and special security), those activities may be costed and priced separately from the cost for the facility as described above.

3.4.6.6 If the Center is entering into an agreement for occupancy of a NASA facility by another party and if the agreement will be subject to excluded costs (in accordance with policy or statute, such as CSLA), the Estimated Price Report will distinguish incremental costs associated with the agreement (i.e., costs that NASA would not incur in the absence of the agreement) from other costs that are allocated to the space in order to derive a full cost.

Chapter 4. Pricing Reimbursable Agreements

4.1 General

4.1.1 NASA provides reimbursable support to other Federal Agencies, state governments, and the private sector under several Federal statutes. Taken together, these statutes provide NASA with the authority to engage in a range of reimbursable activity. Each of the statutes contains conditions and requirements for specific types of reimbursable activity. The cost recovery provisions of these statutes vary, and therefore, NASA shall apply specific pricing policies depending on the provisions of the statute(s) authorizing the reimbursable agreement. The following sections describe the pricing requirements for NASA's reimbursable activities.

4.2 Pricing Reimbursable Space Act Agreements

4.2.1 The National Aeronautics and Space Act provides the Agency with significant flexibility in entering into reimbursable agreements and charging methodologies with Federal and non-Federal customers. It calls for NASA to cooperate with others in the use of its services, equipment, and facilities. An agreement written under this authority is commonly referred to as a Space Act Agreement (SAA). As with all reimbursable agreements, the baseline pricing under an SAA is full-cost reimbursement.

4.2.2 Cost Based Pricing. In general, Centers shall establish prices equal to the full cost in accordance with Chapter 3 of this NPR and identified on the EPR. NASA may accept reimbursement for less than full cost, if fair and reasonable, in light of NASA resources committed, NASA risks, and benefits to NASA. See Section 4.2.4 for a discussion of price adjustments below the full cost of the agreement. The process used and the factors considered in the development of such prices will be consistently applied and fully documented. This documentation will be maintained for at least three years. See Section 4.2.6 for discussion of the treatment of differences between cost and price.

4.2.3 Market-Based Pricing. In limited circumstances, NASA may vary from the full cost amount in order to account for market prices. When market-based pricing is proposed, pricing will be based on a market survey. See Appendix E for the circumstances and requirements for the application of market-based pricing methodologies.

4.2.3.1 Market-based pricing does not apply where the pricing requirements for specific services or facilities are otherwise established by law or regulation or where the services to be performed by NASA can be demonstrated to have no comparable market equivalent such that market rates cannot be determined.

4.2.4 Waived Cost. Waived costs are costs that are incurred to perform the work associated with the reimbursable agreement but which are not reimbursed by the customer. Costs which comprise part of the full cost of the effort and are not reimbursed result in a price adjustment. Waivers of cost under SAAs can only be considered where there is a clear and demonstrated NASA benefit. To the extent practicable, the benefit should be quantifiable so that its value can be reasonably estimated and compared with the unreimbursed cost. As general guidance, consideration of whether to waive costs should be based on whether the office absorbing the costs would be willing to pay for the benefits derived from the effort if the reimbursable agreement were not being entered into or if they would be willing to pay for the benefits separately assuming the full cost of the work for the customer is

fully reimbursed. As separately described, the office responsible for providing an alternative source of funding for waived costs will provide concurrence. Valid criteria for cost waivers fall into the following categories:

a. Benefits from conducting the work, work content or the results/deliverables of the work (i.e., non-monetary), which are directly related to NASA's mission/program/projects, and where there is a valid basis for charging an appropriate NASA mission/program/project as an alternative source of funding for some of the work. This may include, but not be limited to, agreements involving activities directly relating to NASA's strategic education goals, development and/or testing where the resultant product or data has value to NASA's mission, or work products (e.g., test data) that are made available to NASA and which would eliminate or reduce the need for a NASA effort using a direct source of funding. If there is a basis for charging a NASA mission/program/project as an alternative source of funding for waived costs, the benefits to NASA associated with the agreement will relate to that NASA mission/program/project.

b. Benefits derived from conducting the work, work content, or the results/deliverables of the work (i.e., non-monetary) and which are related to NASA's institutional programs, Center facilities supported by institutional resources, or other benefits that are general in nature and which are customarily supported by institutional funds which can include, but not be limited to maintenance, improvement, or cost reduction of NASA capabilities or facilities. If there is a basis for charging an alternative source of funding based on benefits to NASA institutional programs associated with agreement, the alternative sources of funding will correspond to the programs benefitting from the agreement.

c. Market-based pricing under limited circumstances. See Appendix E.

4.2.4.1 Waivers shall not be granted based solely on perceived intangible benefits, such as goodwill, community relations, or philanthropic reasons.

4.2.4.2 In cases of SAAs with Federal customers that represent a significant component of a Center's reimbursable work and the work has been ongoing with NASA, if it has been determined that pricing the agreement at full cost would constitute a major burden on a Federal customer, where pricing the agreement at full cost would be likely to impede the reimbursable work, and if other criteria for waived cost are not met, the Center shall submit a request to the Agency CFO for pricing the agreement at below full cost. Generally, in those cases, at least the marginal costs of performing the work under the agreement should be reimbursed. The request will include an explanation for the proposed price structure and, if relevant, a plan for phasing in pricing continuation of work in future periods at full cost (or full cost less any waived costs, in accordance with criteria for waived costs as stated above).

4.2.4.3 The EPR will be the official waiver request and approval document. The EPR will contain the full cost of the agreement, the proposed price adjustment, and the final price charged to the customer. The Agreement Manager (or other party responsible for the EPR, e.g., the Agreement Initiator) is the waived cost requestor and the Center CFO is the approver. The written justification shall be provided in the EPR with additional pages attached as necessary. Waivers for programmatic benefit should identify (1) the benefitting program/project; (2) the specific project milestone that will be affected, if applicable; (3) how data/work will be used; and (4) the methodology used for quantifying the benefit.

4.2.4.4 If any direct costs are waived in accordance with criteria addressed above, the CMO assessment shall be calculated based on the direct costs charged to the customer (i.e., after any of the direct costs are waived). The resulting difference between the CMO calculated on the direct-cost portion of the full cost and the CMO calculated only on the direct costs charged to the customer may

be considered a price adjustment on the EPR. However, that reduction in CMO chargeable to the customer does not require approval by the CMO manager (unless additional CMO is waived).

4.2.5 Excluded Costs

4.2.5.7 In certain situations, costs that might otherwise be billable to a reimbursable customer are excluded in order to comply with statutory or policy requirements. This includes costs excluded under CSLA or other similar authority.

4.2.5.8 Excluded costs are considered price adjustments and should be included on an EPR in a manner similar to waived costs. Because such price adjustments are already covered by statutory or policy requirements, a justification with expected benefits (similar to that required for waived costs) is not required or expected.

4.2.6 Treatment of Differences between Cost and Price

4.2.6.1 CMO Costs Not Covered by the Price. If CMO costs are not covered by the price charged to the customer, the agreement shall be approved by the Center CFO and the CMO manager.

4.2.6.2 Direct Costs Not Covered by the Price. If the price is below the direct cost that the Center will incur to perform the work, the Center CFO shall verify that an alternative funding source is identified for the unreimbursed portion. If project costs are funded by NASA direct funds, the work being funded by NASA will be confirmed as consistent with the period of availability, intended purpose, and amount restrictions of the direct program funding in accordance with the law.

4.2.6.3 The decision regarding which costs are waived should be the result of an internal Center discussion between the party/parties responsible for providing the alternative sources of funding, including the CMO manager (if CMO is being waived).

4.2.6.4 Cost waivers involving Reimbursable SAAs in which the price to the customer is less than direct cost shall be approved by the Agency CFO.

4.2.6.5 Market-Based Price Exceeds Full Cost. If the market-based price is above full cost, Centers shall deposit the amount collected that exceeds full cost into the Miscellaneous Receipts Account at Treasury, unless NASA has statutory authority to retain such amounts (e.g., EULs of Real Property).

4.2.7 Special Pricing or Billing Provisions Applicable to Specific Agreements. Reimbursable work for certain types of services or facilities are governed by statutes and regulations other than the Space Act, and NASA shall follow the pricing and/or non-competition requirements of those authorities rather than NASA's general Space Act authority.

4.2.7.1 Tracking and Data Relay Satellite System (TDRSS). 14 CFR Part 1215 covers considerations to be used in pricing TDRSS charges and should be consulted directly. In general, it is based on standard rates and it addresses matters such as:

- a. Annual determination of User Charges and Service Rates.
- b. Payment and billing including administrative charges.
- c. Estimated Service Rates and Escalation for CSLA customers and others.
- d. Other multiplication factors for service rates.

4.2.7.2 Host-Tenant Agreements. Host-tenant agreements represent a separate category of reimbursable agreement that may or may not be executed as SAAs. The pricing methodology used will be based on the authority under which the agreement is executed. As with all reimbursable

agreements, the Center Chief Counsel and Center CFO shall review the agreement before it is signed.

a. Customer Owned or Constructed Facility. When one or more Federal agencies has ownership of buildings or facilities or has constructed the facility and turned it over to NASA, on a NASA Center and those facilities represent a substantial portion of the facilities on the Center, the Center may enter into an interagency agreement with the tenant(s) under which all facilities operating costs and associated indirect costs are shared equitably. The Centers are not required to use the EPR format to develop the full cost of the agreement as long as the reimbursement the Center receives is equal to the actual costs the Center incurs to support the tenant. As with all other reimbursable agreements, the Centers shall maintain documentation that supports computation of the reimbursement the tenant is required to provide.

4.3 Pricing Reimbursable Work for Federal Agencies under the Economy Act

4.3.1 The Economy Act. While the Space Act provides specific authority to NASA to engage in reimbursable and cooperative agreements with various parties, including other Federal agencies, the Economy Act (31 U.S.C. § 1535) provides authority for all Federal agencies to engage in inter-agency reimbursable activity within certain constraints. The reimbursable agreement shall be priced based on full-cost principles to reasonably reflect the actual cost of the work for the Federal customer as required by the Economy Act. The Economy Act prohibits an agency from deriving profit, augmenting its appropriations, or using another agency's funds for purposes other than for which the funds were originally appropriated. The calculation of full cost for collaborative activities with Federal customers should follow Section 3.4.3.1.

4.4 Pricing Commercial Space Activity Agreements

4.4.1 Authorities. NASA may provide support for commercial launches and use of its space-related property and facilities under two authorities: CSLA and the Space Act. Flexibility exists to utilize the authorities in combination, depending upon circumstances, scope of the work, and the best interest of the parties. The determination as to which authority is applicable in a given situation should be made in consultation with a Center's Office of Chief Counsel and the Center CFO. While NASA has CSCA authority available, Agency current practice is to use the authority provided under the Space Act in lieu of CSCA. Any exceptions will be reviewed by the Office of General Counsel and Office of Chief Financial Officer and approved in writing.

4.4.1.1 CSLA. NASA is authorized by the CSLA to provide launch or reentry property and launch or reentry services, not otherwise needed for public use, to the private sector or a state or regional government authority in order to support commercial launch or reentry efforts. CSLA encourages acquisition by the private sector from the U.S. Government of the following property or services:

- a. Launch or reentry property of the United States Government that is excess or otherwise is not needed for public use.
- b. Launch services and reentry services, including utilities, of the Government otherwise not needed for public use.

Note: The scope of commercial launch and reentry services covered under CSLA is discussed further in Appendix A. The determination as to applicability of a CSLA should be

determined in consultation with the Center Office of Chief Counsel and the Center CFO.

4.4.1.2 Space Act. NASA is authorized to provide services, equipment, personnel, supplies, and facilities, with or without reimbursement, to Federal, state, and private entities.

4.4.2 Pricing under the CSLA.

4.4.2.1 Before applying the pricing policy under this section, the full cost of the agreement will be calculated in accordance with Chapter 3 of this NPR and reported under the full cost section of the EPR.

4.4.2.2 The CSLA refers to direct cost in the pricing of commercial launch or reentry services. Direct costs that are billable to the reimbursable customer are those costs that can be associated unambiguously with a commercial launch or reentry effort and which the Government would not incur if there were no commercial launch or reentry effort. Costs that cannot be associated unambiguously with a commercial launch or reentry effort or which the Government would incur if there were no commercial launch or reentry effort shall not be included in the price charged to the customer for a CSLA agreement. However, they should be included when determining the full cost of the agreement in accordance with Chapter 3 of this NPR and recorded under the Price Adjustment column of the EPR as "Excluded Cost."

4.4.2.3 The following should be included when calculating the direct costs for services or property provided to a customer under the CSLA:

a. Contractor Cost. Direct costs shall include contract costs that directly support the reimbursable project and which are charged by the contractor to NASA. Such costs are recognized and billable to the reimbursable customer if those costs would not be incurred if there were no commercial launch or reentry effort. The amount billable can include estimated contractor costs. Costs which are billable to the reimbursable customer include, but are not limited to:

(1) Contractor labor costs charged by the contractor to NASA for supporting the tasks associated with the launch or reentry effort.

(2) Other Direct Costs (ODCs) as identified by the contractor.

(3) The associated general and administrative (G&A) costs which are charged by the contractor to NASA (to the extent they would not be charged to NASA if there were no commercial launch or reentry effort).

Note: While a contractor's G&A costs are indirect to the contractor, NASA considers these charges as direct when the G&A rate is applied to the contractor's direct costs.

(4) The associated fixed and award fees on the above costs (to the extent they would not be charged to NASA if there were no commercial launch or reentry effort).

b. Civil Service Labor. The direct costs for services provided by NASA civil service labor supporting the reimbursable task shall include all components of personnel compensation. Billable civil service labor does not include a charge for persons responsible for general management and support other than those persons dedicated and responsible for directly managing work on the reimbursable project. The direct labor costs include, but are not limited to, basic pay of employees supporting the task plus the Government share of associated labor-related expenses, including fringe benefits.

c. Other Costs. Other costs that are customarily charged to reimbursable projects, which can include but would not be limited to travel, transportation, materials, and supplies (but only to the extent those costs would not be incurred if there were no commercial launch or reentry effort).

d. Costs incurred by common support activities or service pools. To the extent that costs incurred by a common support activity can be specifically attributed to the reimbursable activity (but only to the extent those costs would not be incurred if there were no commercial launch or reentry effort), they shall be distinguished and considered as direct costs billable to the reimbursable customer under a CSLA agreement. As much as is practicable, Centers should accumulate such costs in accounts specifically designated as associated with the reimbursable project as opposed to being commingled with other shared costs. That can include, but not be limited to the following:

- (1) The costs attributable to consumption of utilities, commodities, or other measureable consumables and which could be directly related to the reimbursable project;
- (2) The costs attributable to additional maintenance or other operations that NASA would not otherwise perform and which arise as a result of the reimbursable project; and
- (3) The costs associated with typical CMO functions which can be directly attributed to the customer (e.g., specific security costs, emergency services, medical/health services, and IT services).

4.4.2.4 Property and Facilities. For NASA property provided under a lease, license, or loan to the private sector or a state government to support a commercial launch or reentry effort under the CSLA, the price is an amount equal to the direct costs, including specific wear and tear and property damage that NASA incurs as a result of the lease, license, or loan. Any such lease, license, or loan will be conducted in accordance with applicable law, regulation, and NASA policy. The direct costs for property or facilities made available by NASA to a customer under the CSLA and billable to the reimbursable customer shall include, but not be limited to, the following:

- a. The costs incurred by the Government to alter, modify, or bring up to operating condition the property or facility.
- b. The costs attributable to consumption of utilities, commodities, or other measureable consumables.
- c. The costs attributable to operations, maintenance, and repair that NASA would not otherwise perform. For example, a facility which has been determined to be excess to Agency programmatic needs and which would be maintained by the customer can be provided to a CSLA customer without a rental charge. In this instance, the direct cost to NASA of this facility would be zero, since the customer would be assuming the cost of operations, maintenance, utilities, modification, or demolition of the property.

4.4.2.5 In the case of NASA property made available under CSLA, involving property or facilities shared with other users (which can include NASA direct projects), and where a sharing arrangement is both feasible and occurs on a non-interference basis, a reasonable allocation of direct costs associated with that portion of the property, facility, or asset should be charged to the CSLA customer (in addition to any costs specifically identifiable with the customer's share of the facility under a CSLA reimbursable agreement, as described in Section 4.4.2.4). Such an allocation would be based on variable costs associated with operating the facility and would not include fixed costs associated with the facility (e.g., those that would be incurred if there were no occupants). The Center may develop a rate to be applied to the agreement in order to represent a reasonable allocation of the variable costs of functions typically associated with usage of the facility (e.g., by square footage or persons occupying the facility).

4.4.2.6 For NASA property sold (or transferred through a transaction similar to sale) to the private

sector or a state government to support a commercial launch or reentry effort under the CSLA, the price is the fair market value of the property. Sale or transfer of such property will be conducted in accordance with applicable law, regulation, and NASA policy applicable to the sale of Government property.

4.4.2.7 The following are considered indirect cost and shall not be included in the price charged to the customer for CSLA agreements. However, they should be included when determining the full cost of the agreement in accordance with Chapter 3 of this NPR and recorded under the "price adjustment" column of the EPR as "Excluded Cost."

a. Reimbursable assessments for the Agency-determined CMO rate.

Note: While functions within CMO are generally treated as indirect, some support may be driven by use and can be directly chargeable (i.e., considered a direct cost.). A Center may develop a rate to be applied to the agreement in order to represent the direct or marginal costs of activities typically included within CMO functions.

b. Administrative fee for Headquarters and NMO (for work to be performed by JPL (an FFRDC)) or other similar allocations of indirect costs.

c. CAAS assessment.

d. Allocation of service pools where the service pool costs would be incurred without regard to the specific commercial launch or reentry effort.

e. Recovery of infrastructure overhead and similar charges, including those that would normally be charged to programmatic funds (i.e., not covered by either a CMO rate or the Administrative fee for Headquarters and NMO).

4.4.3 NASA Centers are not limited to charging direct costs under CSLA and may instead use the Space Act as authority to charge fair and reasonable prices in light of clear and demonstrated NASA benefits, risks, and resources attributable to the terms and conditions of the contract between NASA and the commercial launch provider and other factors as appropriate. See Section 4.2 for pricing under the Space Act.

4.4.3.1 When portions of a reimbursable agreement are conducted under different legal authorities, the work performed under each authority shall be clearly identified as a separate task or annex accompanied by a separate breakout of the EPR identifying the full cost, waived or excluded costs, and price applicable to each task or annex.

4.4.3.2 Since General Requirements and Considerations for CSLA are that launch or reentry property of the United States Government is excess or otherwise is not needed for public use or that launch services and reentry services, including utilities, of the Government is otherwise not needed for public use, CSLA agreements shall not commit NASA to provide property or services unless there is a reasonable assurance that the General Requirements and Considerations are met for the period of performance and that the NASA facility is able to withdraw from providing the property or services if those conditions do not exist.

4.4.4 The Center CFO shall review and approve the assumptions, validity, and reasonableness of all charges. For agreements where reimbursement less than the full cost of the effort is anticipated, approval is required by the Center CFO and program manager in control of the unreimbursed portion. This requirement applies to both waived cost and excluded cost (in accordance with policy or statute, such as CSLA).

4.4.5 If a Program Manager/Center CMO Manager non-concurs on the use of the CSLA as the authority for entering into a reimbursable agreement after the Center Chief of Counsel and Center CFO have recommended the use of CSLA as the authority, such non-concurrence shall be forwarded to the Agency CFO for approval or other disposition in consultation with the responsible Mission Directorate.

4.4.6 All agreements in support of commercial crew or cargo transportation shall require concurrence by the appropriate program manager(s) responsible for commercial crew and/or cargo transportation or their designee, irrespective of whether any program/CMO funds are going to be used to pay for any unreimbursed costs. This concurrence will be required prior to the completion of the EPR. Any dispute between the Center Director and the program manager will be resolved with the appropriate Mission Directorate Associate Administrator.

4.5 Charges for Rental Quarters and Related Facilities

4.5.4 This section provides additional policies, responsibilities, and requirements NASA will follow when setting and administering rental rates for rental quarters and charges for related facilities.

4.5.5 Legislative and Regulatory Authority. The references below provide the authority and policy governing agencies charges for rental quarters and related facilities.

4.5.5.1 5 U.S.C. § 5911, Quarters and Facilities; Employees on the United States.

4.5.5.2 OMB Circular No. A-45, Rental and Construction of Government Quarters, Revised, dated October 20, 1993.

4.5.6 Explanations of Terms.

4.5.6.1 Rental quarters include all housing supplied under specific Government direction as an incidental service in support of Government programs. "Public Quarters" designated for occupancy by members of the uniformed services with loss of allowances and sleeping facilities furnished on a temporary basis are excluded. Otherwise, all quarters owned by or leased to the Government are included whether occupied by Government employees, contractors, contractors' employees, or any other person to whom housing is provided as incidental to the performance of a Government activity. Housekeeping and non-housekeeping units, including trailers but not tents, furnished and unfurnished are included.

4.5.6.2 Related facilities include, but are not limited to, utilities, services, furniture, and appliances.

4.5.7 Roles and Responsibilities.

4.5.7.1 The Center Director, who has custody over quarters, as well as the authority to rent the quarters shall:

a. Monitor the use of rental quarters.

b. Annually determine whether an adjustment to the basic rental rate is required based on changes in the Consumer Price Index (CPI). Determine specifically when periodic reviews are necessary, so that qualified appraisers may be obtained as required.

c. Annually advise the Assistant Administrator for Strategic Infrastructure of the need to adjust basic rental rates, based on changes in the CPI, of the need to conduct a periodic review, and of the recommended time schedule for the timely completion of the review. Request that the services of appraisers be provided.

d. Conduct the review using qualified appraisers.

4.5.7.2 The Assistant Administrator for Strategic Infrastructure shall:

a. Keep the CFO and the Associate Administrator for the Mission Support Directorate advised of all significant events concerning the use of and charges for NASA rental quarters.

b. Designate person(s) to receive appeals and ensure that necessary administrative reviews and approvals are made in accordance with the provisions of Rental and Construction of Government Quarters, Revised.

c. Establish by amending the lease or rental agreement the general rates and charges authorized by the Associate Administrator for the Mission Support Directorate on the effective date and ensure they are collected.

d. Authorize specific adjustments to general rents.

e. Provide qualified appraisers to Center Directors to perform the necessary reviews. Where practicable, appraisers of the Federal Housing Administration, the Army Corps of Engineers, the Naval Facilities Engineering Command, or the General Services Administration will be used.

f. Make the final evaluation of the annual adjustment required, based on changes in the CPI and the periodic reviews. Approve the general rates and charges to be established.

g. Review and decide on appeal actions and adjustments, as necessary.

4.5.8 Determining Rental Rates.

4.5.8.1 Rental rates for quarters and charges for related facilities will be based upon reasonable value in the circumstances under which they are provided, occupied, or made available. The amount of rental rates shall not be set so as to provide an inducement in the recruitment or retention of employees or as an inducement to encourage the occupancy of existing Government housing. The detailed procedures for determining rental rates are contained in Rental and Construction of Government Quarters.

Chapter 5. Enhanced Use Leases (EUL) of Real Property

5.1 Overview

5.1.1 This NPR also establishes financial management requirements for EUL agreements, related procedures and funding arrangements, and use of proceeds derived from EUL agreements. In the context of this NPR, EUL agreements represent contractual agreements entered into by NASA to lease property under EUL authority and to provide related support services associated with those leases.

5.1.2 Lease of Non-Excess Property gives the Administrator authority to lease non-excess NASA real property at fair market value, to use the amounts collected to cover the full costs to NASA in connection with the lease, and to use the net proceeds of the lease (i.e., cash collections received in excess of the full cost of leases) for maintenance, capital revitalization, and improvements of the real property assets and related personal property under the jurisdiction of the Administrator.

5.1.3 Under authority initially enacted, the statute applied to real property under the jurisdiction of the Administrator at no more than two NASA Centers. The Ames Research Center and Kennedy Space Center have been NASA's EUL demonstration sites. Cash amounts received under that authority in excess of costs associated with the leases shall be available for maintenance, capital revitalization, and improvements of the real property assets of the Centers selected for this demonstration program.

5.1.3.1 Amounts derived from cash collections prior to FY 2010 shall remain available until expended. That includes amounts collected to cover the full cost of leases as well as the FY 2009 year-end balance of the capital asset accounts (as described in Section 5.7).

5.1.3.2 Amounts derived from cash collections to cover the full costs of EUL agreements in FY 2010 and thereafter shall remain available until expended.

5.1.3.3 Amounts derived from cash collections in FY 2010 and thereafter, after deducting for the full cost of EUL agreements (i.e., amounts to be credited to the capital asset accounts), shall remain available for a period of five years.

5.1.3.4 EUL authority was modified by the Consolidated Appropriations Act of 2008, under which applicable provisions became effective on December 31, 2008. The revised statute applies to any non-excess real property and related personal property (i.e., collateral equipment) under the jurisdiction of the Administrator and extends the EUL authority to all NASA Centers. That authority removed in-kind consideration as a means of payment to NASA by a lessee. However, in-kind consideration can be accepted, where authorized, in connection with EUL agreements entered into prior to December 31, 2008, at Ames Research Center and Kennedy Space Center and subject to the terms of those lease agreements. EUL authority was subsequently modified by the Consolidated and Further Continuing Appropriations Act, 2012 to allow in-kind consideration for leases entered into for the purpose of developing renewable energy production facilities.

5.1.4 In accordance with the Consolidated Appropriations Act of 2010, net proceeds derived from cash consideration collected in FY 2010 and thereafter shall be available for a period of five years.

5.1.5 Sunset. Authority to enter into EUL agreements will expire on December 26, 2017. The

expiration of EUL authority to enter into leases will not affect the validity or terms of leases, availability of amounts derived from cash collections to cover the full cost of leases, or NASA's retention of net proceeds (as described in Section 5.6) from leases entered into under EUL authority before the date of the expiration of such authority.

5.1.6 References to lease agreements in this NPR apply to the contractual agreements entered into by NASA with lessees under the EUL authority.

5.1.7 Proposed lease arrangements, lease terms, analysis of business cases, and reporting of lease activity will be subject to oversight and direction of the Office of Strategic Infrastructure, as discussed in NPR 8800.15, Real Estate Management Program, and the EUL Desk Guide as issued by that office.

5.1.8 In accordance with NPR 8800.15, Real Estate Management Program, EUL agreements shall not be entered into with other Federal agencies.

5.2 Pricing of Lease Agreements

5.2.1 Lease agreements will not be for less than the fair market value of the property plus expected incremental billable costs as described in Section 5.5. Lease agreements entered into prior to December 31, 2008, with customers from other Federal agencies shall be based on the full costs of leases as described in Section 5.5. Pricing of lease agreements at fair market value (i.e., market pricing) is statutorily required for EUL agreements.

5.2.2 Fair market values of lease agreements shall be supportable and should be established using market surveys as discussed in Appendix E of this NPR or utilizing appraisal services. A recent market survey or appraisal for a different property could be referenced if the properties are comparable.

5.2.3 Lease agreements are priced to reflect fair market values over the life of the lease so that the amounts due from the lessee should be based as much as is practicable on the fair market value in the periods in which lease payments become due. With respect to lease terms as they apply in future years, fair market values over the life of a lease will be based either on reasonable projections of future values at the time the lease is executed or periodically adjusted based on reappraisals or similar estimates of valuation. Determinations of when to perform such reappraisals, if relevant, shall be provided for in the terms of the lease and is based on an analysis of cost effectiveness, changes in market conditions, or other factors so that lease terms will reasonably reflect fair market value in periods in which lease payments become due. That should not be interpreted as requiring annual reappraisals.

5.2.4 Since the lessee could make property improvements and since those could affect the fair market value of the property, there should be periodic adjustments in fair market value pricing to exclude the value of improvements that were funded by the lessee. Generally, the fair market value of the property as used to determine the contractual lease payments is determined without including the value of improvements made by the lessee.

5.2.5 Fair market value pricing of an EUL agreement could be either above or below the full cost of the lease. As discussed in Section 5.6, net proceeds would be derived if cash amounts collected exceed the full cost of the lease. If pricing is below the full cost of the lease, concurrence will be obtained from the office(s) providing the funding to cover the difference from the full cost.

5.3 Collections

5.3.1 Since lease agreements should be priced at not less than fair market value (excluding the value of upgrades funded by the lessee as described above) and can be in excess of full costs of leases as described in the Section 5.5 in this Chapter, collections associated with EUL agreements can result in net proceeds. Net proceeds derived from EUL agreements are discussed in Section 5.6.

5.3.2 Lease agreements under EUL authority shall be established in the Agency accounting system under a no year account as directed by the OCFO.

5.3.3 Each year, Centers shall prepare estimates of collections for amounts owed to NASA under this authority and submit estimates to OCFO for the purpose of preparing an apportionment request to the OMB. The estimated collections for a lease should represent cash collections expected in the coming year for amounts that will have become due under the EUL agreement. The estimate will include contractual lease payments, as well as an estimate of other incremental billable charges (i.e., demand services) in the coming year that are expected to be collected. Estimates for collections may include amounts billed to the lessee in a prior year or where the lessee occupied and benefitted from property in the prior year but where cash collections for the amounts are expected to occur in the upcoming year. Estimates for collections under this authority will be distinguished from anticipated reimbursements. Budgetary resources derived from EUL authority will include the unobligated balance brought forward into the new fiscal year (i.e., carryover).

5.3.4 Lease agreements under EUL authority will be executed in accordance with a program/management structure developed by the Office of Strategic Infrastructure at HQ in coordination with OCFO and affected Centers. In addition, the capital assets account under EUL authority will be managed in accordance with a program/management structure developed by the Office of Strategic Infrastructure in coordination with OCFO and affected Centers.

5.3.5 An EPR for the agreement shall be prepared generally in accordance with the format provided in the Appendix D. The full cost of the agreement on the EPR will include cost components as described in the Section 5.5 of this NPR and will not include costs of civil service labor. The full cost should include a regular recurring facilities charge based on property size and type and comply with Section 5.5.1 of this NPR. A facilities charge as described in Section 5.5.2 should be represented on the CMO line on the EPR. If the Center calculates a lease management and administration charge as part of the full cost of the lease as described in Section 5.5.3, that charge will be included in the amount entered on the CMO line on the EPR. The EPR will also include an estimate for incremental billable charges (e.g., demand services) associated with the lease that would be in addition to the regular recurring facilities charge. An estimate for the incremental billable charges should be represented on the line for Other Direct Costs on the EPR. The EPR prepared for an EUL agreement will include the Price Charged Customer based on the fair market value of the lease as addressed in Section 5.2. The "price adjustment" column on the EPR does not need to be completed.

Note: An EPR may be included as a component of the Business Case normally prepared to support a proposed EUL agreement.

5.3.6 To the extent practicable, revenue derived from a lease, including in-kind consideration where authorized, shall be recognized and recorded in the Agency accounting system in a period that reasonably corresponds to the period of occupancy of the property by the lessee resulting in an amount owed to NASA. Revenue will be recognized on an accrual basis not less frequently than annually so that fiscal year end data will reflect revenue recognized based on the fair market value of the lease of the property for the period just ended and so that the revenue can be reflected in Agency

financial statements.

5.4 Consideration

5.4.1 A person or entity entering into an EUL agreement shall provide consideration for the lease at not less than fair market value. Consideration for the lease is based on the fair market value of the property appraised to exclude the value of improvements funded by the lessee.

5.4.2 All consideration received by NASA in connection with the lease, including in-kind consideration, shall be applied to lease amounts due. Generally, lease revenue will be recognized when lease payments become due in accordance with provisions of the lease agreement and associated with the respective leases in the accounting system. Since revenue should generally be recognized based on when the lessee derived fair market value from the property, those amounts may not coincide with collections received as consideration under the lease agreements. However, revenue will be reconcilable with collections, whether those collections consist of cash or in-kind consideration.

5.4.3 Consideration may take one or a combination of the following forms:

a. Payment of Cash.

b. In-kind Consideration. The two EUL demonstration Centers, Ames Research Center and Kennedy Space Center, are authorized to accept in-kind consideration in lieu of cash for rent with leases entered into prior to December 31, 2008. NASA Centers are authorized to accept in-kind consideration (received November 18, 2011, and thereafter) for leases entered into for the purpose of developing renewable energy production facilities.

(1) In-kind consideration will reflect expenses for property repairs, upgrades, and/or capital improvements that extend the useful life of NASA properties and where the lessee assumed responsibility for the charges. In-kind consideration shall be included in the draft lease submitted to the Office of Strategic Infrastructure for review and approval.

(2) All in-kind consideration is to be spelled out in the draft and final versions of the lease. Any changes to an existing lease that include new projects as in-kind consideration will be submitted to the Office of Strategic Infrastructure for approval.

(3) Contributed materials, supplies, facilities, property, and/or utility services, if significant in amount, should be recorded at their fair value, provided the entity has a clearly measurable and objective basis for determining the value. If the values of contributed materials, supplies, facilities, and property cannot reasonably be determined, they should not be recorded as in-kind consideration.

(4) Unless the amount is approved in advance by both the Center and the Office of Strategic Infrastructure, the amount should not be recognized as in-kind consideration in lieu of cash.

(5) In-kind consideration received by NASA may include, but not be limited to one or a combination of the following forms:

(a) Maintenance, construction, modification, or improvement of facilities on real property under the jurisdiction of the Administrator.

(b) Provision of services to NASA, including launch or reentry services and payload processing services.

(c) Use by NASA of facilities not under the jurisdiction of the Administrator.

5.4.4 Generally, consideration from the lessee, whether cash consideration or in-kind consideration (where authorized), should be received to reflect fair market value of the leases not later than the accounting period following a period of occupancy covered by the lease payment. If the lease agreement provides for collections at points which are past the periods of occupancy (by more than one accounting period), that shall be expressly authorized by the Center CFO.

5.4.5 Upon termination of the lease and after all relevant charges have been settled with the lessee, any outstanding cash advance balances shall be returned to the lessee.

5.5 Full Cost of Leases

5.5.1 The Administrator may utilize amounts of cash consideration received under this section from a lease entered into under this section to cover the full costs to NASA in connection with the lease. These funds will remain available until expended. Because the funds collected under this authority to cover the full costs of leases will remain available until expended, the amounts collected to cover lease costs will be tracked separately in a no year account. The full cost of leases under this authority will consist of the following in accordance with provisions of EUL agreements in accordance with Section 5.1.3.2.

5.5.2 Facilities charge. A Center entering into an EUL agreement shall prepare an estimate of the cost to the Center per unit of space (i.e., cost per square foot) of the property or other similar measure based on an objective and systematic analysis of the type of property being used (e.g., office space and undeveloped land). That cost should reflect indirect costs, general use of facilities services (i.e., shared charge for security services and procurement activities), and building maintenance (including both routine and major building repairs) of comparable properties at the Center, but will not reflect costs associated with civil service labor. A charge will be calculated based on the utilization of space by the lease times the cost per unit of space as described above and will be included as part of the regular recurring lease payment by the lessee. Amounts collected to cover this charge will be available to fund expenses at the Center which constitute the basis for that charge. That could be considered an equivalent of a standard CMO charge normally assessed on reimbursable agreements.

5.5.3 Lease Management and Administration.

5.5.3.1 The Center may determine whether to separately calculate a rate for lease management and administration. The lease management and administration charge may include expenses incurred by the Center for administrative, legal, and other services for EUL support activities (e.g., contract support, contract management, and financial management), but shall not include costs of civil service labor.

5.5.3.2 The lease management and administration charge should be represented as part of the full cost of the lease. The charge shall be included as part of the regular recurring lease payment by the lessee and will not result in additional charges to the lessee over the regular lease payment covered in the lease agreement.

5.5.3.3 If the Center determines not to separately calculate a lease management and administration charge, such support costs should be included as part of the recurring facilities charge described in Section 5.5.2.

5.5.4 Costs for Site Preparation Specific to the Leased Property.

5.5.4.1 These costs may include, but are not limited to, basic upgrades and building modifications or customizations so that a property can be considered viable for leasing. Site preparation costs shall

not include routine building maintenance or building repairs.

5.5.4.2 Generally, costs associated with site preparation, facilities upgrade, etc. in order to make a property usable by the lessee shall be borne by the lessee and shall be reflected in an appropriate adjustment to the fair market value of the lease.

5.5.4.3 If NASA is arranging for site preparation activities, the charge will be billed in addition to regular recurring lease payments and be based on reimbursement to NASA of direct costs incurred by NASA for providing the service. Such costs will not include costs for civil service labor.

5.5.4.4 If the lessee is a non-Federal entity, NASA should receive an advance to cover that work or the work should be sufficiently general in nature that it could be covered appropriately by the Center's CMO functions.

5.5.5 Costs for Demand Services

5.5.5.1 Costs for demand services represent services provided by the Center based on usage or requests by the lessee for incremental services not normally covered by the charge for general use of facilities and building maintenance, as described in Section 5.5.2, not already covered by the fair market value of the property being leased, and in accordance with the contractual terms of the lease. A demand service should relate to a particular service or goods that a tenant will request to purchase at a given price and time. Demand services will not be used to cover lease management and administration, management and support, financial operations, business development, or facilities planning.

5.5.5.2 Demand service charges will be billed in addition to regular recurring lease payments based on the fair market value of the property. Demand services that could result in net proceeds should be within the scope of the EUL agreement and under the EUL authority, if those net proceeds are to be retained by NASA, as discussed in Section 5.6.

5.5.5.3 Services for work outside the scope of the EUL agreement would require separate agreements established with the lessee to ensure there is agreement on the scope of work and expected costs.

5.5.6 Appraisal costs.

5.5.6.1 Costs for appraisals or market surveys to determine the fair market value of a property for pricing purposes in cases where a lease agreement has not yet been entered into will generally be considered as part of lease administration costs associated with the EUL program at the Center, as described in Section 5.5.3.

5.5.6.2 If lease administration costs are not separately identified as a component of the full cost of the lease, those costs will be included as part of the facilities charge, as described in Section 5.5.2.

5.5.6.3 If the appraisal or market survey is specific to a lease agreement that is already in place, costs will be included as part of the full cost of that lease. Such an appraisal or market survey for a lease that has already been entered into may be used to determine an appropriate adjustment in lease payments under the lease agreement to reflect the fair market value of the property at the time.

5.5.6.4 Unless there is a provision in the lease agreement that expressly indicates that appraisal costs would be billed separately, costs covered in the lease agreement will not result in incremental billings to the lessee over and above the regular lease payments covered in the lease agreement.

5.5.6.5 Costs for appraisals or market surveys will not include costs for civil service labor.

5.5.7 Other Incremental Costs Traceable to the Lease.

5.5.7.1 Other incremental costs can include extraordinary administrative, legal costs, or other costs not normally included as part of routine facilities maintenance or otherwise described above but in accordance with the contractual terms of the lease. The Office of Strategic Infrastructure shall make a determination of whether the costs should be covered by the regular lease payment and, therefore, to be considered part of lease administration.

5.5.7.2 If certain other incremental costs would not be properly considered part of lease administration, a determination will be made on whether there would be a contractual basis for billing the lessee in addition to regular recurring lease payments based on reimbursement of direct costs incurred by NASA for providing those services.

5.5.7.3 Costs not otherwise described above will be approved by the Office of Strategic Infrastructure in coordination with OCFO before being recognized as part of the full cost of a lease.

5.5.8 Services, acquisitions, installations, upgrades, or other costs arranged for support of EUL agreements, including demand services, will be considered as part of the lease for the purpose of reporting of EUL activity and not be considered as under separate reimbursable authority. Agreements for all support activities will be considered as under EUL authority.

5.5.9 Except in the case of costs billable in excess of the fair market value of the property being leased (e.g., demand services), lease costs will not affect amounts owed by the lessee under the lease agreement (based on the fair market value of the property). Notwithstanding the fact that amounts owed by the lessee to NASA will not be affected by the lease costs, full costs of the leases will be recorded so they can be included for financial reporting purposes.

5.5.10 Where it is indicated that components of lease costs cannot include civil service labor, those costs will not include salaries, benefits, and other components of personnel compensation, as defined in OMB Circular A-11. Accordingly, NASA employees shall not charge time to accounts established for EUL agreements where costs are not to include civil service labor. Indirect costs (e.g., shared facilities service charge, as described in Section 5.5.2 and lease management and administration, as described in Section 5.5.3), will not include civil service labor. Rates calculated for the recovery of indirect costs will be derived so as not to recover personnel compensation costs of civil service labor.

5.6 Net Lease Proceeds

5.6.1 Amounts of cash consideration collected in excess of full cost of leases in accordance with Section 5.5 shall be deposited into capital asset accounts to be established by the Administrator and be recognized as net proceeds from the EUL agreements.

5.6.2 Net lease proceeds derived from leases entered into on December 31, 2008, and later or which are collected after December 2008 shall contribute to capital asset accounts as described below. Amounts may not be utilized for daily operating costs.

5.6.2.1 Thirty-five percent will be deposited in capital asset accounts to be established by the Administrator and will be available for maintenance, capital revitalization, and improvements of the real property assets and related personal property under the jurisdiction of the Administrator. Amounts derived from collections prior to FY 2010 will remain available until expended. Amounts derived from collections in FY 2010 and thereafter will remain available for a period of five years. Distinctions will be maintained for accounts with different periods of availability. Capital accounts will be managed by the Office of Strategic Infrastructure on behalf of the Agency.

5.6.2.2 The remaining 65 percent will be available to the respective Center or facility of the

Administration engaged in the lease of non-excess real property. Amounts derived from collections prior to FY 2010 will remain available until expended. Amounts derived from collections in FY 2010 and thereafter will remain available for a period of five years. Distinctions will be maintained for accounts with different periods of availability. Those amounts will be made available for maintenance, capital revitalization, and improvements of the real property assets and related personal property at the respective Center or facility subject to the concurrence of the Administrator. Projects funded by the account will be coordinated with the Office of Strategic Infrastructure on behalf of the Agency.

5.6.3 Net lease proceeds derived from leases entered into prior to December 31, 2008, and which were earned not later than December 2008 are available to contribute to capital asset accounts available for maintenance, capital revitalization, and improvements of the real property assets of the NASA Centers participating in the EUL demonstration program (i.e., Ames Research Center and Kennedy Space Center) and remain available until expended.

5.6.4 None of the amounts of the capital asset accounts derived from cash collections realized in FY 2010 and thereafter can be used for civil service labor costs. Such costs include salaries, benefits, and other components of personnel compensation, as defined in OMB Circular A-11.

5.6.5 Because costs for demand services should be billed to the lessee on a cost reimbursement basis, there should be no net proceeds derived from the demand services and the net results of demand services should, therefore, not contribute to the capital asset accounts.

5.7 Capital Asset Accounts

5.7.1 Amounts deposited into the capital asset account will be based on cash collections reflecting net proceeds of EUL agreements. That may include cash amounts collected, but owed to NASA in prior periods. Amounts deposited into the capital asset account will not reflect in-kind consideration received by NASA under the terms of EUL agreements. Amounts derived from net proceeds of leases, as described in Section 5.6, shall be credited to capital asset accounts at least annually.

5.7.2 Consideration received from lessees in excess of lease amounts due (i.e., for regular lease payments in accordance with the lease agreement plus incremental billable costs, as described in Section 5.5) shall be applied against future lease billings to the lessee, but not recognized as revenue associated with the lease or be available to contribute to the capital asset account(s).

5.7.3 The capital asset accounts derived from collections prior to FY 2010 will remain available until expended in a no year fund. Amounts derived from collections in FY 2010 and thereafter will remain available for a period of five years. Distinctions will be maintained for accounts with different periods of availability.

5.7.4 Because the capital asset accounts may be used for different types of costs where the purpose is to support maintenance, capital revitalization, and improvements of the real property assets (other than civil service costs), as described above, an EUL capital asset account is not necessarily limited to acquisitions of capitalized assets or improvements/betterments that are to be capitalized in accordance with NASA capitalization policies. Funds from an EUL capital asset account may be used for acquisition of capitalized assets, but the EUL capital asset accounts are not limited to that.

5.8 Additional Terms and Conditions

5.8.1 The Administrator may require such terms and conditions in connection with a lease under this section as the Administrator considers appropriate to protect the interests of the United States.

5.8.2 Relationship to Other Lease Authority. The authority under this section to lease property of NASA is in addition to other authorities to lease NASA property.

5.8.3 Lease Restrictions. NASA is not authorized to lease back property under this section during the term of the lease or enter into other contracts with the lessee respecting the property.

5.8.4 If the lessee makes property upgrades at its expense, information regarding the upgrades will be coordinated with the Office of Strategic Infrastructure. That may include, but is not limited to site preparation costs. Where applicable, it will be determined whether such upgrades to NASA property, particularly if the upgrades extend the useful life of the property, should be capitalized in NASA accounting records in accordance with Agency capitalization policies and whether additional information might need to be furnished by the lessee (e.g., cost of the upgrades). Generally, that would not apply to property upgrades that are removed by the lessee at the termination of the lease.

5.9 Plan and Reporting Requirements

5.9.1 The Administrator shall submit an annual report to Congress by January 31 of each year on the status of the EUL program. Assembling the report will be the responsibility of the Office of Strategic Infrastructure in coordination with OCFO. EUL reports will provide accounting as of the fiscal year just ended for lease revenue and balances and activity affecting capital asset accounts derived from the EUL activity, as described in Sections 5.6 and Section 5.7. Reporting will provide the capability to distinguish the following:

- a. Fiscal year beginning and ending balances of the capital asset account.
- b. Revenue derived from each lease and related collections. Distinctions will be provided for cash collections versus collections consisting of in-kind consideration. Data will be traceable to source documents recorded in the Agency accounting system.
- c. Costs directly associated with each lease in order to derive the full cost of each lease agreement.
- d. Use of proceeds in accordance with provisions in EUL authority and as described above. Data will be traceable to source documents recorded in the Agency accounting system.

Appendix A. Definitions

Commercial. As defined in the National Space Policy of the United States of America (June 28, 2010), "The term "commercial" for purposes of this policy, refers to space goods, services, or activities provided by private sector enterprises that bear a reasonable portion of the investment risk and responsibility for the activity, operate in accordance with typical market-based incentives for controlling cost and optimizing return on investment, and have the legal capacity to offer these goods or services to existing or potential non-governmental customers."

Commercial Launch or Reentry. For purposes of this policy, a commercial launch or reentry is any launch or reentry which is anticipated to be subject to a license or permit by the Federal Aviation Administration (FAA). These include FAA licensed or permitted launch and reentry activities carrying a NASA payload pursuant to a contract or other arrangement between NASA and the commercial launch provider.

Commercial Launch or Reentry Effort. Activities supporting the commercial launch or reentry of a suborbital or space vehicle, payload, or persons. Such activities may include, but are not limited to, development of a vehicle or a payload, activities for flight, and ground safety; engineering activities; acceptance of a vehicle or a payload (or their components) by the provider, associated handling, transportation, and storage; processing a vehicle, a payload, or support for crew and spaceflight participants (including training) for launch or reentry; integrating a launch vehicle and a payload; activities at a launch or reentry site; and conducting a launch or reentry.

Direct Budget Authority. Direct Budget Authority is the authority provided by law to incur financial obligations that will result in outlays. The term direct budget authority is used in this document to identify the authority NASA receives as the result of Congressionally enacted appropriations and apportionments issued by OMB. As used in this document, direct budget authority does not include reimbursable budget authority.

Direct Costs. Direct costs are costs that can be specifically identified with an output. All direct costs should be included in the full cost of outputs. Typical direct costs in the production of an output include: (a) salaries and other benefits for employees who work directly on the output (b) materials and supplies used in the work; (c) various costs associated with office space, equipment, facilities, and utilities that are used exclusively to produce the output; (d) costs of goods or services received from other segments or entities that are used to produce the output; and (e) other costs related to the production of the output (e.g., travel).

Full Cost. The full cost of an output produced by a responsibility segment is the sum of (1) the costs of resources consumed by the segment that directly or indirectly contributes to the output and (2) the costs of identifiable supporting services provided by other responsibility segments within the reporting entity and by other reporting entities. For purposes of reimbursable work, full cost means the direct and indirect resources used to provide the specific work. It would include CMO, except in the cases of HQ agreements and agreements involving NMO for work to be performed by JPL, (an FFRDC). Generally, it would not include Agency Management and Operation (AM&O) unless determined otherwise, as discussed in Section 3.2.3.1. The level of HQ expenses resulting from reimbursable agreements generally cannot be clearly identified with a specific customer's work and are so minimal that the collection of corporate charges from individual reimbursable agreements is not warranted. The full cost of HQ and NMO (for work to be performed by JPL, (an FFRDC)) reimbursable agreements would include an administrative fee. See the discussion of the "Administrative Fee for Reimbursable Agreements Involving Headquarters or the NMO for work to be performed by JPL, (an FFRDC)" in Section 3.2.3.1. Imputed rents (e.g., depreciation) are

generally excluded from a reimbursable agreement full cost calculation for administrative considerations (See OMB Circular A-25, Section 7, as costs of administering such collection may exceed the amount of such imputed rents). See SFFAS 2 and 4 for a general discussion on responsibility segments and costing.

Indirect Costs. Indirect costs are costs of resources that are jointly or commonly used to produce two or more types of outputs but are not specifically identifiable with any of the outputs. Typical examples of indirect costs include costs of general and administrative services, general research and technical support, security, rent, employee health and recreation facilities, and operating and maintenance costs for buildings, equipment, and utilities. There are two levels of indirect costs: (1) Indirect costs incurred within a responsibility segment. These indirect costs should be assigned to outputs on a cause-and-effect basis, if such an assignment is economically feasible, or through reasonable allocations; (2) Costs of support services that a responsibility segment receives from other segments or entities. The support costs should be first traced or assigned to various segments that receive the support services. They should then be assigned to outputs.

Interagency Agreements (IA). Interagency Agreements are agreements between NASA and another Federal agency that document the performance terms and conditions between the parties.

Launch or Reentry Property. Real and personal property constructed for, or to be used in, commercial launch and reentry efforts. Launch or Reentry Property includes consumable items, such as propellants.

Launch or Reentry Services. Services supporting commercial launch or reentry efforts.

Marginal Cost. The increase in total cost as a result of producing an additional unit or undertaking an additional activity. Mathematically, the marginal cost function is expressed as the first derivative of the total cost function with respect to quantity. In the context of this NPR, the marginal cost is the increase in total cost as a result of performing the work on a reimbursable agreement versus total costs that would be incurred in the absence of that agreement. That would exclude allocations of fixed costs. Incremental cost can be considered equivalent to marginal cost in the context of this NPR.

Reimbursable Agreement Price. The term "price" is used in this document to represent the level of reimbursement the customer is required to provide in return for a specified benefit the customer will receive.

Reimbursable Budget Authority. Reimbursable budget authority is provided by Congress annually. This is not the same as direct budget authority. By itself, reimbursable budget authority does not permit the Agency to incur obligations. Instead, reimbursable budget authority is authority to perform work on a reimbursable basis for other entities. Authority to incur obligations is recorded when signed reimbursable agreements are recognized. Monies collected from the reimbursable customer as payment for the services provided are included in the Agency's total budgetary resources.

Space Act Agreements. NASA's "Space Act Agreements Manual," NAII 1050-1, describes the types of Space Act Agreements and contains detailed guidance and advice for entering into Space Act Agreements.

Domestic Space Act Agreements. Agreements between NASA and a non-government U.S. entity.

International Space Act Agreements. Agreements between NASA and a non-U.S. entity. International reimbursable agreements are established and negotiated by NASA HQ. The Assistant Administrator for Office of International and Interagency Relations is responsible for the negotiation, execution, amendment, and termination of International Agreements.

Space-Related Facilities. Those facilities whose use at the time are directly related to gaining access and return from space or the conduct of activities in space. The determination of whether a facility is space related is based on the nature of the use of the facility and not on its purpose for existing. Some facilities may be dual use, that is, some uses are space related and some are not.

Total Project Cost. Total project cost is the sum of the agreement's full cost and NASA's cost to support the collaboration.

Appendix B. Acronyms

ALC	Agency Location Code
AM&O	Agency Management and Operations
CAAS	Contract Administration and Audit Services
CFO	Chief Financial Officer
CMO	Center Management and Operations
CPI	Consumer Price Index
CSCA	Commercial Space Competitiveness Act
CSLA	Commercial Space Launch Activities
DUNS	Dun and Bradstreet Universal Numbering System
EPR	Estimated Price Report
EUL	Enhanced Use Lease
EVM	Earned Value Management
FAA	Federal Aviation Administration
FAR	Federal Acquisition Regulation
GAAP	Generally Accepted Accounting Principles
IA	Interagency Agreement
IPAC	Intergovernmental Payment and Collection
JPL	Jet Propulsion Laboratory (a Federally Funded Research and Development Center)
NAII	NASA Advisory Implementing Instruction
NMO	NASA Management Office
NSSC	NASA Shared Services Center
OCFO	Office of the Chief Financial Officer (Agency level)
ODC	Other Direct Cost
OGC	Office of General Counsel
OMB	Office of Management and Budget
SAA	Space Act Agreement
SCAP	Strategic Capabilities Assets Program
SFFAS	Statement of Federal Financial Accounting Standard
TDRSS	Tracking and Data Relay Satellite System
WBS	Work Breakdown Structure

Appendix C. Description of Authority

C.1 14 CFR § 1215, "Tracking a Data Relay Satellite System (TDRSS)." This regulation sets forth the reimbursement policy for TDRSS usage and has been established to purposely influence users to operate with TDRSS in the most efficient and orderly manner possible.

C.2 Chief Financial Officers Act of 1990 (31 U.S.C. § 901-903). This statute requires a biennial review of costs of services provided versus charges imposed. The Agency OCFO is responsible for that review.

C.3 Commercial Space Competitiveness Act, as amended (51 U.S.C. § 50504). This Act provides authority for NASA to use its space-related facilities on a reimbursable basis to support commercial space activities. The CSCA states that direct cost "may" be charged to a customer, which would also allow charging of full cost.

C.4 Commercial Space Launch Act, as amended (51 U.S.C. § 50913). This statute governs the sale, by NASA, of launch or reentry property for fair market value and the sale of launch and reentry services for direct cost only. The charge for launch services or reentry services is an amount equal to the direct costs, including the basic pay of Government civilian and contractor personnel, the Government incurred because of acquisition of the services.

C.5 Custodians of Money (31 U.S.C. § 3302). This statute requires all monies to be deposited to Treasury, unless otherwise provided by law.

C.6 Economy Act of 1932 (31 U.S.C. § 1535). This Act provides authorization for Federal agencies to request and perform interagency reimbursable work. Under the Act, such reimbursable work will be in the best interest of the Government and goods and services are less expensive or more conveniently provided by Federal agencies than by commercial vendors.

C.7 Federal Acquisition Regulation (FAR) Part 17.5, Interagency Acquisitions. FAR Subpart 17.5 and NFS 1817.5 contain requirements and guidance concerning the use of reimbursable agreements between Federal agencies for supplies or services using another agency's contract or one agency uses another agency to provide acquisition assistance, such as awarding and administering a contract, task order, or delivery order.

C.8 Fees and Charges for Government Services and Things of Value (31 U.S.C. § 9701). This Act requires that charges be fair and based on: (1) the costs to the Government; (2) the value of the service or thing to the recipient; (3) public policy or interest served; and (4) other relevant factors. User charges are ordinarily deposited into the Treasury miscellaneous receipts account, but may be retained by NASA where authorized by law. Detailed procedures for user charges are included in the OMB Circular No. A-25.

C.9 Land Remote Sensing Policy, (51 U.S.C. § 60101 et seq.). To maximize the value of the Landsat program to the American public, unenhanced Landsat 4 through 6 data should be made available, at a minimum, to United States Government agencies, to global environmental change researchers, and to other researchers who are financially supported by the United States Government, at the cost of fulfilling user requests, and unenhanced Landsat 7 data should be made available to all users at the cost of fulfilling user requests. The phrase "cost of fulfilling user requests" means the incremental costs associated with providing product generation, reproduction, and distribution of unenhanced data in response to user requests and does not include any acquisition, amortization, or depreciation of capital assets originally paid for by the United States Government or other costs not specifically attributable to fulfilling user requests.

C.10 National Aeronautics and Space Act (51 U.S.C. § 20101 et. seq.). The Space Act authorizes NASA "to enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary in the conduct of its work and on such terms as it may deem appropriate, with any agency or instrumentality of the United States, or with any state, territory, or possession, or with any political subdivision thereof, or with any person, firm, association, corporation, or educational institution." Additionally, the Act authorizes NASA "to use, with their consent, the services equipment, personnel, and facilities of Federal and other agencies with or without reimbursement, and on a similar basis to cooperate with other public and private agencies and instrumentalities in the use of services, equipment, and facilities." In addition, the Act states, "The Administration, under the foreign policy guidance of the President, may engage in a program of international cooperation in work done pursuant to this Act, and in the peaceful application of the results thereof, pursuant to agreements made by the President with the advice and consent of the Senate." Agreements using these authorities are referred to as Space Act Agreements. The NASA Space Act Agreements Manual is the primary source of guidance for entering into Space Act Agreements.

C.11 NASA Advisory Implementing Instruction (NAII) 1050-1, "Space Act Agreements Guide." This guide provides guidance and sample clauses on various classes of agreements divided according to the type of agreement and identity of the parties.

C.12 National Historic Preservation Act (16 U.S.C. § 470h-3). The National Historic Preservation Act provides Federal agencies the authority to lease historic property and retain the proceeds to defray the cost of administration, maintenance, repair, and related expenses incurred by the agency with respect to property that is on the National Register.

C.13 NPD 1050.1, "Authority to Enter into Space Act Agreements." The Space Act provides authority to enter into Space Act Agreements, and the NPD provides guidance for entering into those agreements.

C.14 NPD 9010.2, "Financial Management." This NPD establishes that the Agency CFO directs, manages, and provides policy guidance and oversight of Agency financial management personnel, activities, and operations.

C.15 OMB Circular No. A-11, *Preparation, Submission, and Execution of Budget.* OMB Circular No. A-11 provides guidance on preparing Agency budget submissions and includes instructions on budget execution. This Circular requires an estimate of the amount of reimbursable work the agency expects to perform each fiscal year and the process for requesting the reimbursable spending authority for the monies collected from customers.

C.16 OMB Circular No. A-25, *User Charges.* Reimbursable policy regarding work for other than Federal entities under the authority of 31 U.S.C. § 9701 is covered by OMB Circular No. A-25, *User Charges*. In any case where another OMB Circular provides guidance concerning a specific user charge area, the guidance of that other Circular will be deemed to meet the requirements of Circular No. A-25. In cases where another statute authorizes reimbursable work, the provisions of that statute apply.

C.17 OMB Circular No. A-45, *Rental and Construction of Government Quarters.* This Circular provides policy and direction concerning charges for rental quarters.

C.18 OMB Circular No. A-97, *Specialized or Technical Services for State and Local Governments.* As the title states this Circular provides guidance concerning the provision of specialized technical services to state and local governments.

Appendix D. Sample Estimated Price Report

Customer:

Reimbursable Agreement Number:

Work Breakdown Structure:

Sales Order Number:

Cost Element	Estimated		
	Full Cost	Price Adjustment	Price Charged Customer
Civil Service Labor (Including Fringe)			
Civil Service Travel			
Contractor Costs			
Other Direct Costs (Materials, Purchases, Grants, etc.)			
Service Pool Costs			
Total Direct Costs			
Indirect Costs			
CMO Assessment			
CAAS			
HQ/NMO Admin Fee			
Pass-through Reimbursement Fee			
Total Indirect Costs			
Agreement Total			

Price Adjustments

- Type of Price Adjustment

- Waived cost
- Excluded cost (i.e., cost excluded due to statutory/policy requirement)
- Upward adjustment due to market price
- Other price adjustment (Describe): _____

- Reason for Price Adjustment. The EPR should support the ability to classify and summarize reasons for price adjustments for reporting purposes with amounts waived. If there are multiple reasons for waiving costs (e.g., combination of NASA programmatic benefit and market-based pricing), the reasons must be associated with the corresponding amounts waived.

- NASA programmatic benefit
- NASA institutional benefit
- Statutory/policy requirements
- Market-based pricing
- Other reason (Describe): _____

- Source of Funding

- Direct cost WBS _____
- Indirect cost WBS _____

Collaborative Agreement

- Yes (Complete Supplemental Total Project Cost Sheet.)
- No

Justification (Include benefitting program/project, milestone impacted, how results are used, etc. If a collaborative agreement, describe both the portion the customer is responsible for and the portion NASA is responsible for). Attach additional sheets as necessary.

Required Signatures

Agreement Manager:

Name _____ Signature _____
Title _____ Date _____

Program Manager or representative of the office(s) providing alternative sources of funding (if any costs are waived or excluded):

Name _____ Signature _____
Title _____ Date _____

Chief Financial Officer (if applicable):

Name _____ Signature _____
Title _____ Date _____

Others, as applicable (include approvals from offices providing alternative sources of funding to cover waived costs):

Name _____ Signature _____
Title _____ Date _____

Supplemental Information

Total Project Cost of Collaborative Agreements

Cost Element	Estimated Full Cost per EPR (Customer Responsibility, Performed by NASA)			NASA Cost (Full Cost of NASA Portion of Project, excluding costs reflected in EPR Full Cost) (D)	Total Project Cost (E)
	Full Cost (A)	Price Adjustment (B)	Price Charged Customer (C)		
Civil Service Labor (Including Fringe)					
Civil Service Travel					
Contractor Costs					
Other Direct Costs (Materials, Purchases, Grants, etc.)					
Service Pool Costs					
Total Direct Costs					
Indirect Costs					
CMO Assessment					
CAAS					
HQ/NMO Admin Fee					
Pass-through Reimbursement Fee					
Total Indirect Costs					
Total Project Cost					

Estimated Full Cost per EPR (Customer) - This data should be copied directly from the EPR.

NASA Cost - Enter NASA's cost to support this collaborative agreement. Cost should be allocated across the different cost elements.

Total Project Cost - This column is the sum of the customer's estimated full cost and NASA's cost to support the collaboration (sum of columns A and D).

Instructions for Completion of the Estimated Price Report

As discussed in Section 2.3.5, the EPR shown in this Appendix is a facsimile. A Center may utilize alternative formats at their discretion, but the EPR should include the basic information shown in this Appendix. In any format, the full cost of the effort, the total of the price adjustments, and the total comprising the price to the customer should be apparent.

Some information, such as the WBS, sales order number, or other similar accounting classifications used with the accounting system, might not be available when the EPR is initially prepared and reviewed. When that information becomes available, it should be included with the EPR as part of documentation of the reimbursable agreement.

When portions of a reimbursable agreement are conducted under different legal authorities, the work performed under each authority will be clearly identified as a separate task or annex accompanied by a separate breakout of the EPR identifying the full cost, waived or excluded costs, and price applicable to each task or annex.

The sample EPR shown above consists of four sections.

The first section is the heading and contains the following information:

1. The customer's name and address.
2. The reimbursable agreement number.
3. The WBS (if available).
4. The sales order number (if available).

The second section is a table consisting of four columns.

The column headings for the four columns are:

Column 1 - Cost Element. The column identifies the types of cost that make up the full cost of the reimbursable agreement.

Column 2 - Full Cost. This column contains the full cost dollar amounts for each of the cost elements identified in Column 1.

Column 3 - Price Adjustment. This column identifies the dollar difference by cost element between the full cost and the price the customer is required to pay. This may be the adjustment needed above the full cost to get to the market price, the amount of waived cost based on a determination, or costs excluded in accordance with statutory requirement (e.g., CSLA). If the price will reflect a combination of those adjustments, different types of adjustments should be shown separately on the EPR.

Column 4 - Price Charged Customer. This column identifies the dollar amounts by cost element that make up the price the customer is required to pay.

The rows of the table contain the title and associated dollar amounts for each of the cost elements that are applicable to the reimbursable agreement.

Row 1. Civil Service Labor. This row contains all civil service labor costs and must include fringe and paid leave.

Row 2. Civil Service Travel. This row contains all travel costs of civil servants who charge their time to the reimbursable agreement.

Row 3. Contractor Costs. This row contains all contractor costs charged to the reimbursable agreement.

Row 4. All Other Direct Costs (Materials, Purchases, Grants, etc.). This row contains all ODC charged to the reimbursable agreement.

Row 5. Service Pool Costs. This row contains all service pool costs allocable to the reimbursable agreement. If more than one service pool is allocated to the reimbursable agreement, provide breakout costs by service pool.

Row 6. Total Direct Costs. This row contains the total of all direct costs and is the sum of Rows 1 through 5.

Row 7. CMO Assessment. This row contains the amount of CMO charges that are applicable to the reimbursable agreement, based on the Agency-determined rate in effect when the agreement was entered into. If any direct costs are waived in accordance with criteria addressed above, the CMO assessment shall be calculated based on the direct costs charged to the customer (i.e., after any of the direct costs are waived). Centers shall not charge reimbursable customers CMO based on direct costs that are waived. The resulting difference between CMO calculated on the direct cost portion of the full cost and the CMO calculated only on the direct costs charged to the customer may be considered a price adjustment on the EPR. However, that reduction in CMO chargeable to the customer does not require approval by the CMO manager (unless additional CMO is waived).

Row 8. Contract Administration and Audit Services (CAAS). This row contains the amounts of CAAS charges that are applicable to the reimbursable agreement, as determined by the Agency. As described in Section 3.2.3.1, CAAS charges are applicable when the contract costs associated with a reimbursable agreement exceed \$1 million and require NASA procurement services. CAAS charges are computed based on the contract costs, not the amount of the overall agreement.

Row 9. Headquarters/NMO Administrative Fee. This row contains the Headquarters administrative fee that is applicable to reimbursable work performed at Headquarters or for an agreement entered into by the NMO for work to be performed by the JPL (an FFRDC).

Row 10. Pass-Through Reimbursement Fee. This row contains the amount of pass-through reimbursement fee charged to the reimbursable agreement, based on the rate approved by the Center CFO.

Row 11. Total Indirect Costs. This row contains the total of all indirect costs and is the sum of Rows 7 through 10.

Row 12. Agreement Total. **This row is the total of all direct and indirect costs** and is the sum of Rows 6 and 11.

Basis for Price Determination. The third section of the EPR contains information about any price adjustments made in order to establish the price to be paid by the customer.

Type of Price Adjustment. If a price adjustment has been made, check either waived cost, excluded cost, upward adjustment due to market price, or other price adjustment. If other price adjustment was made, describe what type of price adjustment was made. If no price adjustment was

made, do not check any of the blocks.

Reason for Price Adjustment. If a price adjustment has been made, check the reason(s) for the price adjustment. If "other" reason is checked, describe the reason for the price adjustment. If no price adjustment was made, do not check any of the blocks.

Source of Funding. If the price charged to the customer is less than full cost, appropriated funds will be used to fund the difference. Check whether direct or indirect costs (or both) are going to be funded with appropriated funds and, where applicable, identify the WBS that will be used to fund the difference.

Justification. Provide the rationale or justification for any price adjustments, including cost waivers or indirect costs that are excluded in accordance with a statutory requirement (e.g., CSLA). Include the benefitting program/project, milestone impacted, how results are used, etc.

Collaborative Agreement. If this is a collaborative agreement, complete supplemental "Total Project Cost" sheet.

The last section of the EPR contains the names, titles, signatures, and signature dates of the Agreement Manager, Program Manager (if applicable), and Center CFO. Additional approvers may be added to the EPR at the discretion of the Center. Either manual or electronic signatures may be used.

Appendix E. Market Based Pricing Procedures

E.1 Market-Based Pricing is discussed in Chapter 4. This Appendix provides additional detail and direction regarding this pricing procedure.

E.2 Market-Based Pricing. In accordance with OMB Circular A-25, "market price" means the price for a good, resource, or service that is based on competition in open markets and creates neither a shortage nor a surplus of the good, resource, or service.

E.2.1 When a substantial competitive demand exists for a good, resource, or service, its market price will be determined based on market rates from commercial providers.

E.2.2 In the absence of substantial competitive demand, market price will be determined by taking into account the prevailing prices for goods, resources, or services that are comparable to those provided by the Government and then adjusting the supply made available and/or price of the good, resource, or service, so that there will be neither a shortage nor a surplus. In those cases, some independent judgment may be applied in order to consider whether the specific good or service involved is actually comparable to the NASA good or service. That can include, but not be limited to judgment from an appraiser or consultant with knowledge of potential customers and what they generally would pay for such goods or services (where comparable commercial providers cannot be identified) and experience at the Center when negotiating agreements with potential customers. This situation could be considered comparable to a house appraisal where a professional appraiser takes into consideration both comparable prices and also the unique features and condition of the house involved. One such adjustment to compute market price could involve the unique security, emergency, and institutional services associated with a property on a NASA installation. The costs of providing these services should be part of the calculation of market price, if a comparison is made with facilities outside the Center's secured area. Any such adjustment from a market survey must be supportable, documented; as much as is practicable; and involve participation from persons independent of the negotiation with the customer but who are knowledgeable in the pricing of the good or service. There should be reasonable support for a price to ensure that NASA would obtain fair reimbursement.

E.3 Limited Circumstances. This pricing methodology, while required in the out-granting of Federal real property and EUL arrangements in order to determine fair market value, should be limited in its application to Space Act Agreements. The market price will generally result in situations where the contemplated price charged to the customer is either higher or lower than the full cost of the good or service.

E.3.1 The application of market-based pricing procedures in cases where the contemplated price is higher than the full cost of the work must not conflict with other legal or policy restrictions (e.g., Economy Act agreements). Further, all revenues in excess of full cost must be returned to the U.S. Treasury as miscellaneous receipts (except where otherwise allowed). The pricing methodology is limited in this circumstance to prevent putting commercial providers of similar goods/services at a competitive disadvantage, should NASA's full cost be lower. These situations (beyond those applicable to an EUL) are rare. Centers should consult with their OCFO and OGC to ensure adherence to other NASA policy provisions.

E.3.2 The application of market-based pricing procedures for Space Act Agreements in cases where the contemplated price is lower than full cost of the work should be limited to instances meeting the following conditions:

a. NASA real property or other assets or services are underutilized.

- b. Full-cost pricing is not consistent with local market conditions, which can include a reasonable determination that pricing the property at full cost is unlikely to yield any customers.
- c. The revenue derived would offset some or all of a budget requirement for the maintenance or disposition of the real property or asset, where some or all of those costs would be incurred by NASA even in the absence of the reimbursable agreement.
- d. The price should still be at or above the marginal cost of providing the good or service.

E.4 Market Survey. Center CFO offices will ensure that a comparable pricing survey is conducted of commercial providers of comparable services that the Center wishes to offer through reimbursable Space Act Agreements (the Center CFO is not necessarily responsible for preparing a market survey, only to ensure that one has been done). In the absence of commercial providers of similar services, there should be an objective and reasonably independent analysis (which may include a survey of potential customers), so that pricing would result in attracting customers. If there has been a survey for comparable goods or services within the last year, the Center may use the results of that survey. These surveys are to be performed as required when agreements are proposed that involve market-based pricing. If the agreement is expected to extend beyond a year, the survey to establish appropriate pricing must take that into account. However, revised determinations of market prices will not change the terms of an agreement unless there is a provision for that in the agreement. Such a survey will include a representative sample of commercial providers and be conducted in a thorough manner, so that an analysis of the results will provide reasonable assurance that a comparable pricing structure can be determined for that agreement.

E.4.1 A representative sample of commercial service providers will be surveyed through interviews, reviewing their published rates, or by appropriate alternative methods (e.g., knowledgeable industry representatives or associations). The information obtained during the surveys will be documented, labeled proprietary information, and access will be restricted. The documentation will include:

- a. Name of the commercial service provider.
- b. Date the information was received.
- c. Pricing information obtained.

E.4.2 The Center CFO will ensure that the results of the survey are consolidated, evaluated, and analyzed, with the objective of reaching a pricing structure for the Center that is:

- a. Supported by the survey results.
- b. Comparable to prices that customers could expect to find at other commercial providers, given any discount or premium that is applied to compensate for bona-fide differences.
- c. Rational, fair, and consistently applied.

E.4.3 The Center CFO will ensure that the survey results, evaluation, analysis, and judgments are appropriately documented and retained for review in accordance with NASA document retention policies. In cases where commercial service providers are unwilling to share pricing information or the Center is unable to compile enough information to develop a market survey, the Center CFO will document for the record and use alternative pricing methodologies.

E.4.4 Interim Pricing Adjustments Between Market Surveys. During the period between the market surveys, new pricing-related information may be discovered that the Center CFO should review, analyze, and evaluate for justifying possible interim adjustments to the Center's pricing structure. These adjustments should be kept to an absolute minimum in order to maintain pricing consistency.

and fairness to customers. In addition, pricing changes should not be influenced by "negotiations" with individual customers. The pricing strategy is market based, not negotiated customer by customer. Nevertheless, in those rare cases when an interim adjustment to the Center pricing structure is necessary, it should be well documented and the supporting evidence maintained for three years. However, interim adjustments to the Center pricing structure do not affect signed and executed reimbursable agreements and are not applied retroactively.

E.5 Market Adjustments on EPR. The adjustments needed to reconcile the market price to the full cost will be identified in the Price Adjustment column of the EPR. The total adjustment for the agreement should be distributed to the individual lines on the EPR based on the information available at the Center. In order to ensure commercial providers are not at a competitive disadvantage, NASA may have to increase its full cost to market rates. Collections above NASA's full cost are deposited to the Treasury unless statutory authority exists to retain such amounts.