

# NASA Interim Directive

## NID 9090.1

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### Reimbursable Agreements

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**Responsible Office: Office of the Chief Financial Officer**

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## **PREFACE**

### **P.1 PURPOSE**

This NASA Interim Directive (NID) provides the financial management requirements for Reimbursable Agreements.

### **P.2 APPLICABILITY**

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

### **P.3 AUTHORITY**

- a. 5 U.S.C. § 3371-3376
- b. 5 U.S.C. § 5911, Quarters and Facilities; Employees on the United States
- c. 15 U.S.C. § 5601 et seq., Land Remote Sensing Policy Act of 1992
- d. 15 U.S.C. § 5807, Commercial Space Competitiveness Act (CSCA) - Use of Government Facilities
- e. 16 U.S.C. § 470h-3, National Historic Preservation Act
- f. 31 U.S.C. § 901-903, Chief Financial Officers Act of 1990
- g. 31 U.S.C. §1301(a)
- h. 31 U.S.C. § 1341(a), Antideficiency Act
- i. 31 U.S.C. §1502, Balances Available
- j. 31 U.S.C. §1517, Prohibited obligations and expenditures
- k. 31 U.S.C. § 1535, Economy Act of 1932
- l. 31 U.S.C. § 3302, Custodians of Money
- m. 31 U.S.C. § 9701, Fees and Charges for Government Services and Things of Value
- n. 42 U.S.C. § 2451 et seq., National Aeronautics and Space Act of 1958
- o. 42 U.S.C. § 2459j, Enhanced Use Lease (EUL) of Real Property

- p. 49 U.S.C. § 70101 et seq., Commercial Space Launch Act (CSLA)
- q. Public Law 110-161, Consolidated Appropriations Act, 2008
- r. Public Law 111-117, Consolidated Appropriations Act, 2010
- s. 5 CFR § 334, Temporary Assignments Under The Intergovernmental Personnel Act (IPA)
- t. 41 CFR § 304, Payment from a Non-Federal Source for Travel Expenses
- u. 14 CFR § 1215, “Tracking a Data Relay Satellite System (TDRSS).”
- v. 14 CFR § 1214.103, Reimbursement for Standard Services
- w. Office of Management and Budget (OMB) Memo M-07-03, Business Rules for Intragovernmental Transactions.
- x. 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.
- y. Office of Management and Budget (OMB) Memo M-07-03, Business Rules for Intragovernmental Transactions.
- z. OMB Circular No. A-11, Preparation, Submission, and Execution of Budget
- aa. OMB Circular No. A-25, User Charges
- bb. OMB Circular No. A-45, Rental and Construction of Government Quarters
- cc. OMB Circular No. A-97, Specialized or Technical Services for State and Local Governments
- dd. Statement of Federal Financial Accounting Standards (SFFAS) No. 4: Managerial Cost Accounting Standards and Concepts, Issued July 31, 1995.
- ee. 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
- ff. 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
- gg. NPD 1050.1. Authority to Enter into Space Act Agreements
- hh. NPD 9700.1, Travel w/ change 2 2/23/10
- ii. NPD 1385.2, Public Appearances of NASA Astronauts and Other NASA Personnel (Revalidated 11/24/04)

jj. NASA Policy Directive (NPD) 9010.2, “Financial Management”

kk. NASA Policy Directive (NPD) 9080.1G, Review, Approval, and Imposition of User Charges

#### **P.4 APPLICABLE DOCUMENTS**

a. NPR 3300.1, Appointment of Personnel To/From NASA

b. NPR 9050.4, Cash Management and Improper Payments

c. NPR 9060.1, Cost

d. NPR 9470.1, Budget Execution

#### **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 NID.

#### **P.6 CANCELLATION**

NPR 9090.1 is superseded and cancelled by this NID.

/S/

**Terry Bowie**

**NASA Deputy Chief Financial Officer**

#### **DISTRIBUTION:**

**NODIS**

# CHAPTER 1. General Overview

## 1.1 Overview

1.1.1 This NID establishes financial management policies for reimbursable agreements related to (1) administrative procedures; (2) determining full cost; and (3) pricing. These policies are applicable to all reimbursable agreements and related reimbursable activities performed by National Aeronautics and Space Administration (NASA) Headquarters 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, for the reimbursable use of NASA facilities, personnel, expertise, and/or equipment. The term reimbursable work as used throughout this NID includes use of NASA facilities, personnel, expertise, materials and supplies and equipment. The term customer is used in this NID to identify the entity receiving services, materials, or support from NASA on a reimbursable basis. NASA Policy Directive (NPD) 1050.1, “Authority to Enter into Space Act Agreements,” and NASA Advisory Implementing Instruction (NAII) 1050-1, “Space Act Agreements Guide,” provide the policies and procedures governing the establishment and contents of NASA Space Act Agreements.

### 1.1.2 Categories of Reimbursable Agreements.

1.1.2.1 Classifications of Reimbursable Agreements. Per NPD 1050.1, “Authority to Enter Into Space Act Agreements,” it is NASA's policy to utilize the broad authority granted to the Agency in the Space Act to further the Agency's missions and that work performed in connection with reimbursable agreements shall be consistent with the Agency's missions. Accordingly, reimbursable agreements shall be classified appropriately in accordance with the type of work being performed, which can include work related to Agency programmatic missions (i.e., that are directly related to an existing NASA program) or support functions. The classifications should be reflected in a work breakdown structure (WBS) structure. 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. Unless otherwise indicated in connection with the specific type of agreement, a full cost Estimated Price Report (EPR) must be prepared for reimbursable agreements and alternative sources of funding must be agreed to for any waived costs or indirect costs that are excluded in accordance with CSLA or CSCA.

1.1.2.2 Additional Types of Reimbursable Agreements. In addition to reimbursable agreements where the work is consistent with Agency missions, there can be other types of reimbursable agreements.

1.1.2.3 Host-Tenant Agreements. A host-tenant agreement is an agreement between NASA and another organization that provides for the use of NASA facilities, institutional services, or for provision of support services, including but not limited to guards, automated data processing (ADP) personnel, or other support to the non-NASA customer. A host-tenant agreement is a type of interagency agreement (IA) (i.e. 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.

1.1.2.4 Intergovernmental Personnel Act Agreements. The Intergovernmental Personnel Act (IPA) (5 U.S.C. § 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 (5 CFR § 334) and NASA has issued procedural requirements in NPR 3300.1. Reimbursement is limited to basic pay, supplemental pay, fringe benefits, and travel and relocation expenses. NASA Centers are not required to prepare Estimated Price Reports (EPR) and develop a full cost Reimbursable Agreement for IPA agreements. Reimbursements for IPA agreements shall 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.

1.1.2.5 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 41 CFR § 304, NPD 9701.1, and NPD 1385.2. 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 shall 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 Estimated Price Reports or develop a full cost Reimbursable Agreement for travel-only agreements.

1.1.2.6 Pass-Thru Reimbursements. Pass-thru 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. For example, a NASA Center may accept 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 utilities contract. Another example, NASA repairs a fence and the entity on the other side of the fence shares that cost. The Centers are not required to prepare an Estimated Price Report and develop a full cost reimbursable agreement for pass-

thru reimbursements. NASA Centers may charge an administrative fee to cover the cost associated with processing this type of reimbursement.

## **1.2 Roles and Responsibilities**

1.2.1 NASA Agency Chief Financial Officer (CFO) shall:

- a. Develop, issue, and interpret financial management policies for reimbursable agreements.
- b. Maintain financial records and related reports, including Agency-wide reports of reimbursable obligations, costs, accounts receivable, and collections during the year.
- c. Request and receive apportionments of reimbursable authority from the Office of Management and Budget.
- d. Review supporting documentation and issue reimbursable resources authority to Centers.
- e. Provide oversight of internal controls necessary to prevent over-obligation of reimbursable funds.
- f. Ensure that WBS codes are assigned to reimbursable agreements in accordance with NASA policy for numbering programs and projects.
- g. Approve all cost waivers involving Reimbursable Space Act Agreements in which the price to the customer is less than direct cost.
- h. Approve, in consultation with the responsible Mission Directorate(s), all non-concurrences from Program Manager/Center CMO Manager to use the Commercial Space Launch Act (CSLA) as the authority for entering into a reimbursable agreement after the Center Chief Counsel and Center Chief Financial Officer 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

1.2.2 Agency Associate Administrators for the Mission Directorates, Officials in Charge of Headquarters Offices shall:

- a. Perform the following for Headquarters-negotiated reimbursable agreements:
  - (1) Negotiate, amend, and terminate as appropriate Headquarters-negotiated reimbursable agreements (except International Agreements), prepare or obtain EPRs from performing organizations, and obtain necessary concurrences, including the Agency Office of the Chief Financial Officer (OCFO).
  - (2) Execute the agreement and authorize the work.
  - (3) Monitor the financial status of Headquarters-negotiated reimbursable agreements and take action as needed to ensure that NASA receives the proper level of reimbursement.

(4) Arrange necessary approvals or terminations.

b. Provide funding for any waived costs under any reimbursable agreement, or indirect costs excluded in accordance with CSLA or CSCA that the Mission Directorate concurs should be funded by one of the Mission Directorate's programs for both Headquarters-negotiated and Center-negotiated agreements.

1.2.3 Assistant Administrator for International and Interagency Relations. The Assistant Administrator for International and Interagency Relations (or designee) is responsible for negotiating, amending, executing, and terminating International Space Act Agreements.

1.2.4 NASA Headquarters Director for Headquarters Operations. The Director for Headquarters Operations is responsible for:

a. Reviewing and concurring with Headquarters-negotiated reimbursable agreements and Estimated Price Reports (EPR).

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

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

d. Performing closeout of Headquarters negotiated agreements.

1.2.5 NASA Center Directors and the NASA Management Office-Jet Propulsion Laboratory. NASA Center Directors and the NASA Management Office-Jet Propulsion Laboratory are responsible for negotiation, execution, amendment, and termination of reimbursable agreements for their respective Center.

1.2.6 Center Chief Financial Officers (CFOs) (and for Headquarters negotiated reimbursable agreements, the Headquarters Director for Operations) shall:

a. Ensure that market surveys are conducted for each area of reimbursable work or services the Center provides that are also available from non-NASA sources, if applicable.

b. Review and approve or disapprove all Center negotiated reimbursable agreements and Estimated Price Reports (EPRs), including the amount and funding source, if needed, of all price adjustments or waived costs. A funding source must be specified in the case of waived costs or costs excluded under CSLA or CSCA.

c. Verify that all agreements, or separately funded orders under multiple order agreement(s), are assigned a WBS.

d. Maintain financial control over each agreement and generate all financial reports.

e. Implement internal controls necessary to prevent over-obligation of reimbursable funds.

- f. Properly document and approve waivers of advance payment requirements from non-Federal customers (see 1.2.7 b.). Confirm 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 1.2.7 c).
- g. Ensure the program office has obtained any NASA program funding that was negotiated as part of a programmatic reimbursable agreement.
- h. Ensure obligations and costs related to reimbursable agreements are clearly charged to proper reimbursable funding and to correct WBSs.
- i. Maintain complete financial records of all reimbursable agreements including estimated costs, waived cost and the reason for the waiver, excluded indirect costs due to CSLA or CSCA, actual costs, estimated customer reimbursement, and actual customer reimbursement.
- j. Ensure 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.

1.2.7 Agreement manager and supporting resource management staff shall:

- a. Prepare Center-negotiated reimbursable agreements and EPRs (including justification for any excluded cost), and obtain all required concurrences/approvals including that of the Center CFO, and the Mission Directorate, if required.
- b. Ensure that a market survey is conducted, if applicable (see 4.2.2.1). Since the responsible technical managers have established working relationships with other providers, it is expected that these managers will conduct the surveys.
- c. Ensure there is justification for any waivers of advance payment requirements. Per NPD 1050.1, "Authority To Enter Into Space Act Agreements," 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 must be approved by the NASA CFO (for Headquarters Agreements) or Center CFOs (for Center Agreements). 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.
- d. 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 31 U.S.C. § 1341(a) Antideficiency Act.
- e. Coordinate with the Center CFO to develop the WBS at the customer order level where the customer issues individual orders under one agreement.

- f. Comply with established internal controls and implement additional controls if needed to prevent over obligation of reimbursable funds.
- g. Immediately notify the Center CFO when conditions necessitate Center CFO action including changes in the price of the agreement, termination of the work, or closeout of the agreement.
- h. Develop budget estimates for individual reimbursable agreements as required in the annual budget guidance.
- i. Review and validate obligations and costs assigned to the reimbursable project in order to ensure that the reimbursable customer is properly charged.
- j. Monitor both cumulative project costs and projected costs in order to complete the project. Determine whether additional funding will be needed and to 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 shall be based on available appropriations and shall not include unobligated balances that have since expired.

1.2.8 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. Likewise, 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 Procedures**

### **2.1 Introduction**

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

### **2.2 Reimbursable Agreements**

2.2.1 Reimbursable agreements shall contain:

- a. Legal authority both for performing the reimbursable work and for crediting reimbursements to National Aeronautics and Space Administration (NASA) appropriations.
- b. A complete description of the work or services to be performed as required in NASA Advisory Implementing Instruction 1050-1, Space Act Agreements Guide, descriptions of deliverables, and a statement of why the project is being supported.
- c. Period of performance, including initiation date, interim milestones if relevant, and completion dates.
- d. Identification of the NASA billing organization.
- e. 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).
- f. For Federal agency customers, the agency's fund citation including the appropriation symbol and expiration date; the customer agency's Treasury Agency Location Code (ALC) and Dun & Bradstreet Universal Numbering System (DUNS) number.
- g. For Federal customers that have approved billing and collection via Treasury's Intergovernmental Payment and Collection (IPAC) system, the signed agreement must contain the customer's financial information required to process the IPAC transactions.
- h. For non-Federal customers, the agreement must contain the requirement for advance payment (unless expressly waived).
- i. The agreement 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.
- j. Where multi-order agreements are used, individual orders will identify the goods and services ordered, prices, delivery terms, initiation date, and completion date, as appropriate.
- k. Descriptions of Interim or Final Financial Status Reporting. It shall be 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, Bulletin No. 2007-03, Subject: Intragovernmental 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.

1. Reporting of Full Cost to Federal Agency Customers. In accordance with Statement of Federal Financial Accounting Standards (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 must 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, there should be documentation of that with a revised Estimated Price Report (EPR). There should be a corresponding modification to the agreement as signed by both parties or justification(s) and approval for any waived costs, as appropriate. Similarly, if there is a modification to proposed funding source(s) for waived costs or indirect costs that are excluded under a CSLA or CSCA, the agreement requires approval by the Center Chief Financial Officer (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 in accordance with NPD 1050.1. 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. Examples of modifications that do not require a signature from the reimbursable customer would include changes to account designations 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

### 2.2.3 Business Rules.

2.2.3.1 Each reimbursable agreement will be assigned a project work breakdown structure (WBS) in accordance with Agency policies and procedures for program and project identification. All reimbursable agreements (or stand alone orders under multiple order agreements) must be numbered so that they can be individually identified.

2.2.3.2 Costs are to be recorded in accordance with the cost requirements of NPR 9060.1, Cost. In addition, the estimated and actual waived cost, and indirect cost excluded under a CSLA or CSCA, as well as the estimated and actual customer reimbursement must be documented for each agreement.

2.2.3.3 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; and

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; or

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.

2.2.3.4 The execution of reimbursable agreements is subject to all of NASA's normal program management, financial management, and procurement procedures. In addition, the following requirements apply to reimbursable agreements:

a. Financial records and reports must 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.

c. NASA Headquarters and Centers must comply with the intragovernmental transaction data and reconciliation requirements contained in Office of Management and Budget (OMB) Memo M-07-03, Business Rules for Intragovernmental Transactions. The rules are located in the Treasury Financial Manual, Volume 1, Bulletin 2007-03. They are mandatory for all Departments and Agencies.

2.2.3.5 Before each Reimbursable Agreement is approved, the Center CFO will ensure that all of the following requirements, at a minimum, are satisfied:

- a. The estimated full costs of performing the work are analyzed for each proposed agreement.
- b. If applicable to the agreement, that the market based pricing structure established for the Center is 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.
- c. If the amount of the price adjustment (including any proposed cost waiver or indirect costs that are excluded under a CSLA or CSCA agreement) requires waiving or excluding any costs that will be incurred because of the agreement, the Center CFO must verify that an alternative funding source is identified for the waived or excluded cost, and if applicable, that the Mission Directorate concurs in the use of program funding. All cost waivers involving Reimbursable Space Act Agreements in which the price to the customer is less than direct cost must be approved by the Agency Chief Financial Officer.
- d. The pricing applied to the reimbursable agreement will not result in reimbursable revenue that is in excess of the full cost of providing the work, unless that excess revenue is promptly deposited into Treasury's miscellaneous receipts account, unless NASA has statutory authority to retain such amounts.
- e. In the case of a non-Federal reimbursable customer, a cash advance will be obtained before performing work. If there is a waiver of the requirement for an advance, the justification for the waiver should be reviewed and approved in accordance with NPD 1050.1.
- f. Multiple Order 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 NID are to be applied to each order as if it were a single stand alone agreement.
- g. Reimbursable Agreements with Federal Customers. By signing the agreement, the Requesting Agency confirms 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; that all unique funding and procurement requirements, including all statutory and regulatory requirements applicable to the funding being provided, have been disclosed to Servicing Agency (i.e., NASA); and 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 must 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 must 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 must 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. Should the effort cost more than the estimate, the customer shall be advised by NASA as soon as possible. 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 the absence of a signed agreement or distribution of reimbursable budget authority, direct (i.e. non-reimbursable) funding sources shall not be used to finance work in connection with the reimbursable project. Direct funding sources shall not be used to finance continuation of work by NASA because of insufficient reimbursable funding on the part of the customer. Generally, use of direct funding sources 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, or excluded costs under a CSLA or CSCA agreement, as documented on the EPR and approved by the Center CFO.

2.2.4.5 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 (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 Non-Reimbursable Agreements**

2.3.1 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. All activities under or pursuant to the agreement are subject to the availability of funds, and no provision of a non-reimbursable agreement shall be interpreted to require obligation or payment of funds in violation of the Anti-Deficiency Act, Title 31 U.S.C. § 1341.

## **2.4 Estimated Price Reports (EPRs)**

2.4.1 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. Reimbursable agreements that will be executed by more than one Headquarters office or NASA Center must include supporting schedules that identify the costs to be incurred by each NASA participant. All proposed waived cost, price adjustments to reach market price, or cost exclusions under a CSLA or CSCA agreement, must

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 NID.

2.4.2 A sample of the EPR format is provided as Appendix C of this NID. The items listed on the sample EPR represent the minimum information that must 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 under a CSLA or CSCA agreement, in order to arrive at the price to be charged.

2.4.3 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 shall be deposited to Miscellaneous Receipts at Treasury, unless NASA has statutory authority to retain such amounts.

## **2.5 Advances Received**

2.5.1 When advances are received from non-Federal reimbursable customers they must 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. Generally, cash advances would be received from non-Federal entities by the NASA Shared Service Center (NSSC) on behalf of Centers.

2.5.2 Advances Received by NASA. All advances received from reimbursable customers, both Federal and non-Federal, must be credited as Advances from Others to the NASA appropriation that is being used to execute the work and must reference the relevant reimbursable agreement, regardless of whether performance of the requested work is pending. 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, advances from customers, the advance should credit the account established for Advances without Orders from Non-Federal Sources in accordance with guidance from the Agency Office of the CFO.

2.5.3 Advances Received by NASA Headquarters. Cash advances received at NASA Headquarters from non-Federal sources must also be deposited promptly in accordance with the procedures in NPR 9635.1, Billing and Collection. In addition, the Headquarters office receiving the advance must contact the performing Center and obtain the identity of the appropriation that will be used to execute the work and deposit the advance to that appropriation.

## **2.6 Billing and Collection**

2.6.1 Billing.

2.6.1.1 Billing Frequency. Generally, as costs are incurred, the NASA Shared Services Center (NSSC) shall bill reimbursable customers monthly. The monthly calculation and processing of a

bill 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.

2.6.1.2 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.

2.6.1.2.1 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.

2.6.1.2.2 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.

2.6.1.2.3 Reimbursable costs that are considered final shall 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.

2.6.1.2.4 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.

2.6.1.2.5 An amount that remains unbilled (because of an interim billing has been deferred) would be brought forward in the next billing cycle as a beginning unbilled balance.

2.6.1.2.6 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.

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

2.6.1.4 Collections for cost incurred will be immediately deposited to NASA appropriations. Charges for depreciation included in the customer billing or amounts billed in excess of full costs incurred by NASA must 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.

2.6.1.5 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 proposed billings of the customer as costs are incurred in collaboration with the NASA Shared Services Center (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 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.

2.6.1.6 In order to ensure validity, billings should be regularly reviewed by persons knowledgeable in resource utilization of the project in order to ensure validity. Corrections or adjustments to reimbursable billings shall be accomplished in a timely manner. If possible, corrections shall 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.

2.6.1.7 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.

2.6.1.8 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 shall be responsible for interest owed under the Prompt Payment Act except that the Servicing Agency (i.e., NASA) shall be 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.

2.6.1.9 Per the Office of Budget and Management (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 Federal reimbursable customer as much as possible prior to the expiration of funds of the ordering agency.

2.6.1.10 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 must be submitted to the customer by the end of the month in which the final costs are recorded or as soon as possible thereafter.

2.6.1.10.1 For non-Federal customers, advances which have not been offset by actual costs shall 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).

2.6.1.10.2 For Federal customers, any advances which have not been offset by actual costs shall be refunded. NASA shall bill and collect for all actual cost in excess of estimated cost where

provided for in the agreement unless specifically waived by the Center CFO (e.g. where the amounts owed are inconsequential).

2.6.1.10.3 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.

## 2.6.2 Recording Collections.

2.6.2.1 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 at section 2.5.

2.6.2.2 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 must be credited to the NASA appropriation that was used to fund the reimbursable work. Amounts collected that represent depreciation charges must be deposited in the Treasury Miscellaneous Receipts Account, unless specific authority exists to otherwise retain them..

## 2.7 Financial Reporting

2.7.1 The financial status of each reimbursable agreement must be available to the Project Manager, as well as the participating service pool managers, within 7 business days after the end of the month so that all needed information is available to support proper management of reimbursable agreements.

2.7.2 The Center CFO is responsible for trading partner reporting information on the status of revenue earned to Federal reimbursable customers on a monthly basis as required by OMB Memo M-07-03, Business Rules for Intra-governmental Transactions and Treasury Financial Manual, Volume 1, Bulletin 2007-03.

### 2.7.3 Application of Reimbursements Received.

2.7.3.1 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 Treasury Miscellaneous Receipts Account. The following must be considered in making this determination:

2.7.3.1.1 In cases where the NASA appropriation includes specific funding for the reimbursable work, NASA cannot retain funds received from customers for this work.

2.7.3.1.2 NASA must be assured that funds received represent reasonable compensation for costs incurred. Any reimbursement received in excess of the actual full cost incurred must be returned to the customer. The only exceptions are agreements with non-Federal customers where NASA charges market price and the market price exceeds NASA's full cost. In those situations the

amount received that exceeds full cost must be deposited to the Treasury Miscellaneous Receipts Account, unless specific legislation authority, such as the Enhanced Use Lease (EUL) authority, permits retention by the Agency.

#### 2.7.3.2 Appropriation Augmentation.

2.7.3.2.1 Reimbursements credited to NASA appropriations may not exceed the costs incurred in the performance of the associated reimbursable agreement, unless specific legislation 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 must be deposited as Miscellaneous Receipts.

2.7.3.2.2 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. Reimbursable work involves the receipt of funds from sources other than NASA's direct appropriations and crediting them to NASA appropriations.

2.7.4 Recognition of Earned Reimbursements. In accordance with Statement of Federal Financial Accounting Standards (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.

2.7.5 Indirect costs shall be recognized as 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.

## **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 must be calculated and documented on the Estimated Price Report (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 definition of full cost.

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; and
- 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 (e.g., travel).

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. Direct costs also include pass-through reimbursements, which represent agreements in which 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.

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, and operating and maintenance costs for buildings, equipment, and utilities. There are two levels of indirect costs:

- a. 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.
- b. 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.

3.2.3.1 Following are examples of indirect costs used by NASA.

3.2.3.1.1 Center Management and Operation (CM&O). CM&O funds all Center administration and support costs necessary to operate and maintain the Center. CM&O shall be calculated at the time the agreement is signed and earned as services are performed. Annually the Agency Office of the Chief Financial Officer (OCFO) will establish an Agency CM&O rate to be used by each Center to develop the full cost of reimbursable agreements and should be included on the appropriate line on the Estimated Price Report (EPR).

3.2.3.1.2 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 must 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. The CAAS rate in effect at the time the agreement is signed will be used to determine the applicable CAAS cost. The CAAS cost is calculated by multiplying the planned contract cost by the established rate. The CAAS charge is to be considered as an incremental expense to the Agency and is non-refundable. CAAS charges are applicable to pass-thru 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 Estimate Price Report (EPR). CAAS charges shall be applied to reimbursable agreements as services are performed and reimbursements earned.

3.2.3.1.3 Agency Management and Operation (AMO). AMO is not applied to reimbursable agreements and is not charged to reimbursable customers (however, see the Administrative Fee for Headquarters and Jet Propulsion Laboratory Reimbursable Agreements as discussed below).

3.2.3.1.4 Administrative Fee for Headquarters and Jet Propulsion Laboratory (JPL) Reimbursable Agreements. An administrative fee shall be included in the cost of all reimbursable agreements that will be executed by Headquarters or JPL. This administrative fee is required so that NASA may recoup the added cost associated with the financial management of the reimbursable agreements. The Agency CFO, or delegee, will determine whether to prescribe a rate specifically for that purpose or to use the AMO rate for determining the administrative fee. Otherwise, the administrative fee shall be determined on the basis of the AMO rate issued by Agency OCFO. The rate to be used for determining administrative fees on Headquarters or JPL agreements will be recalculated and issued by Agency OCFO or Headquarters Director, Office of Budget Management and System Support, as needed.

3.2.3.1.5 Pass-through Reimbursement Fee. NASA Centers may charge an administrative fee to cover the cost associated with processing a pass-through reimbursement agreement (the pass-

through reimbursement is a direct cost as discussed in 3.2.2 of this document). The administrative fee shall be approved by the Center CFO.

### **3.3 Calculating the Full Cost of Reimbursable Agreements**

3.3.1 For purposes of reimbursable work, full cost means all direct and indirect costs (e.g. CM&O, CAAS, 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

3.3.1.1 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. Standard rates shall be periodically adjusted to ensure that actual costs can be expected to be recovered.

3.3.1.2 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 shall conduct an analysis to identify each cost element involved and how to assign that cost to the project.

#### 3.3.2 Cost Assignment.

3.3.2.1 In developing a method for costing and assigning cost to reimbursable work, NASA shall use Generally Accepted Accounting Principles (GAAP). In accordance with Statement of Federal Financial Accounting Standards (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.

3.3.2.2 The principles 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.

3.3.2.3 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.

3.3.2.4 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."

## **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 must 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.

4.1.2 Limits on Competition with U.S. Commercial Sources. Legal or policy considerations can affect the circumstances in which the Agency can make specific types of facilities or services available to non-Federal entities if commercial services are otherwise available. For these facilities or services, the customer bears the burden of establishing that they cannot obtain equivalent goods or services from the private sector. 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.

### **4.2 Pricing Reimbursable Space Act Agreements**

4.2.1 The National Aeronautics and Space Administration Act of 1958 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, however, if a clear, demonstrated benefit to NASA can be shown, the Agency can "partner" in the agreement and accept less than full cost recoupment, opting for shared scientific data or test results, use or ownership of property or assets, or other types of "in-kind" consideration. Any cost waivers, acceptance of in-kind consideration, or other cost offset in lieu of NASA benefit is required to be demonstrated on the Estimated Pricing Report.

4.2.2 Market Rate Pricing. In order to avoid putting commercial providers of similar services at a competitive disadvantage, NASA may adjust its cost recovery to account for market prices. The NASA pricing policy for Reimbursable Space Act Agreements when the types of services to be provided are available from commercial sources is to charge market rates. When market rates apply, those rates must be based on a market survey. Notwithstanding market based pricing, the price should recover at least the direct costs of doing the work. However, market based pricing does not apply where (1) the pricing requirements for specific services or facilities are otherwise established by law or regulation or (2) where the services to be performed by NASA can be demonstrated to be unique such that market rates from commercial providers cannot be determined. Section 4.2.5, "Special Pricing Provisions Applicable to Specific Agreements," contains the special pricing provisions applicable to certain types of NASA services and facilities.

#### 4.2.2.1 Procedures for Establishing “Market Rates”.

4.2.2.1.1 Market Survey. Center CFOs will ensure that a comparable pricing survey is conducted of commercial providers of similar services that the Center wishes to offer through reimbursable Space Act agreements. Since the responsible technical managers have established working relationships with other providers, it is expected that these managers will conduct the surveys and provide the results to the Center CFOs. These surveys are performed annually or as reasonable and necessary, depending upon the degree of external market price stability for the services being offered. If the Center performs its market price surveys on a basis that is less frequent than annually, the Center CFO must document the rationale for the Center’s market survey schedule. 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 the current year for that Center.

4.2.2.1.2 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; and
- c. Pricing information obtained.

4.2.2.1.3 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; and
- c. Rational, fair, and consistently applied.

4.2.2.1.4 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.

4.2.2.2 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 shall not affect signed and executed reimbursable agreements nor be applied retroactively.

4.2.2.3 Market Adjustments on Estimated Price Reports (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.

4.2.3 Cost Based Pricing. In the event there is no market source for the specific or similar services that the Center proposes to provide under a reimbursable agreement, the Center Chief Financial Officer (CFO) shall establish a price, based on the best information available, that is consistent with the cost NASA will incur and to consider the benefit NASA will receive when the work is performed. Unless some costs are waived and funded by either a direct funded NASA program or Center Management and Operation (CM&O), the price charged the customer should equal the full cost as determined in accordance with Chapter 3 of this NID and identified on the Estimated Price Report (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. The process used and the factors considered in the development of such prices must be consistently applied and fully documented. This documentation must be maintained for at least three years.

4.2.4 Treatment of Differences between Cost and Price.

4.2.4.1 Market Based Price Less Than Full Cost. If market based pricing is used and the market price is less than the full cost of performing the work, the price would be the full cost of performing the work less costs that are waived for the purpose of reimbursement. Waived costs are funded by a direct funded NASA program or CM&O

4.2.4.1.1 CM&O Costs Not Covered by the Price. If CM&O costs are not covered by the price charged to the customer, the agreement must be approved by the Center CFO.

4.2.4.1.2 Direct Costs Not Covered by the Price. If the market based price is below the direct cost that the Center will incur to perform the work, the Center CFO must verify that an alternative funding source is identified for the unreimbursed portion. If project costs are funded by NASA direct funds, the project shall be confirmed as consistent with the period of availability, intended purpose, and amount restrictions of the direct program funding in accordance with the law. All cost waivers involving Reimbursable Space Act Agreements in which the price to the customer is less than direct cost must be approved by the Agency Chief Financial Officer. If there are actual unreimbursed costs that are not reflected on the EPR or in the agreement, or if the alternative source of funding is different from that shown on the EPR, an approval should be obtained from the Center CFO (similar to the approval obtained for waived costs on the EPR).

4.2.4.1.3 Sequence of Cost Waivers. If the price is below the full cost of the project, indirect costs (i.e., CM&O) shall be waived first until market price is reached. Only after all indirect costs are waived should direct costs be considered for waiver. All cost waivers involving Reimbursable Space Act Agreements in which the price to the customer is less than direct cost must be approved by the Agency Chief Financial Officer.

4.2.4.2 Market Based Price Exceeds Full Cost. If the market based price is above full cost, Centers must 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., Enhanced Use Leases of Real Property).

4.2.5 Waived Cost. Waivers of cost can only be considered where there is a clear and demonstrated NASA benefit. The benefit must be quantifiable to the extent that its value can be reasonably estimated and compared with the unreimbursed cost. Valid criteria for cost waivers fall into several categories: benefits directly related to NASA's mission; maintenance or improvement of NASA capabilities or facilities; and collaborative efforts between NASA and other entities.

4.2.5.1 Examples include agreements involving activities directly relating to NASA's strategic education goals; joint conduct of R&D, analysis, research, operations; development and/or testing where the resultant product or data has value to NASA's mission.

4.2.5.2 In other cases, cost waivers can occur due to legal, policy, or administrative procedures where full cost reimbursement is not possible or necessary. Cost waivers can also occur to reduce the price in order to comply with market-based pricing, where applicable.

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

4.2.6 Special Pricing 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 must follow the pricing and/or non-competition requirements of those authorities rather than NASA's general Space Act authority. Market based pricing only applies to the extent it is consistent with these other requirements.

4.2.6.1 Space Shuttle Payloads. 14 CFR § 1214 pertains and is the governing regulation on this matter and should be consulted directly.

4.2.6.1.1 Standard Services. NASA may charge uniform prices for shuttle payloads, and escalate them annually in accordance with 14 CFR § 1214.103(d) unless updated.

4.2.6.1.2 Pricing Optional Services. To the extent practical, optional services will be provided on a fixed-price or fixed-rate basis. If this is not practical, the price will be on a governmental cost basis; i.e., the actual cost or in certain cases the estimated actual costs. They shall be escalated annually in accordance with 14 CFR § 1214.103(d) unless updated.

4.2.6.2 Tracking and Data Relay Satellite System (TDRSS) (14 CFR Part 1215). This regulation covers considerations to be used in pricing TDRSS charges and should be consulted directly. In general, it address matters such as:

- a. Annual determination of User Charges and Service Rates (14 CFR § 1215.113 and 114).
- b. Payment and billing including administrative charges (14 CFR § 1215.115).
- c. Estimated Service Rates and Escalation for Commercial Space Launch Act (CSLA) customers and others (14 CFR § 1215.115 Appendix A).
- d. Other multiplication factors for service rates (14 CFR § 1215.115).

4.2.6.3 Host-Tenant Agreements. Host tenant agreements represent a separate category of reimbursable agreement that may or may not be executed as Space Act Agreements. The pricing methodology used must be based on the authority under which the agreement is executed. As with all reimbursable agreements the Center Chief Counsel and Center Chief Financial Officer must review the agreement before it is signed.

4.2.6.3.1 Space Act Agreements. When host tenant agreements are executed under the authority of the Space Act the price charged the customer will be set as follows:

a. NASA Owned Facility. In those cases where the host-tenant agreement is established as a Space Act agreement the price will be calculated based on the applicable pricing method in Section 4.2.2 describing Procedures for Establishing “Market Rates” in this NID.

b. 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 a 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 must maintain documentation that supports computation of the reimbursement the tenant is required to provide.

4.2.6.3.2 Host-Tenant Agreement with a Federal Customer under the Economy Act. When host tenant agreements are executed as Economy Act Orders the customer Agency will be charged in accordance with full cost principles.

### **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. The Economy Act prohibits an agency from deriving

profit, augmenting its appropriations, or using another agency's funds for purposes other than which the funds were originally appropriated.

#### **4.4 Pricing Commercial Space Activity Agreements**

4.4.1 Authorities. NASA may provide support for commercial launches and use of its space-related facilities under three authorities: Commercial Space Launch Act (CSLA), Commercial Space Competitiveness Act (CSCA), and the Space Act. Flexibility exists to utilize the various 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 Chief Financial Officer.

4.4.1.1 Commercial Space Launch Act – 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; and
- b. Launch services and reentry services, including utilities, of the Government otherwise not needed for public use.

4.4.1.2 Commercial Space Competitiveness Act – Authorizes NASA to allow non-Federal entities to use its 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; and
- e. Such use is consistent with public safety, national security, and international treaty obligations.

4.4.1.3 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 and CSCA

4.4.2.1 Both the CSLA and CSCA refer to direct cost in the pricing of commercial launch services. Direct costs are costs that can be associated unambiguously with a commercial launch effort, and which the Government would not incur if there were no commercial launch effort.

4.4.2.1.1 The CSLA requires “direct cost” in pricing of commercial launch agreements.

4.4.2.1.2 The CSCA states that direct cost “may” be charged to a customer, which would also allow charging of full cost.

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

4.4.2.2.1 Contractor Cost. Direct costs shall include contract costs that directly support the reimbursable project. Such costs are recognized and, therefore, chargeable to the reimbursable customer and may include estimated and unpaid contractor costs. Those costs may include, but not be limited to:

- a. Labor costs charged by contractor personnel supporting the tasks; plus
- b. The associated labor-related expenses including payroll taxes and fringe benefits; plus
- c. Other Direct Costs (ODCs) as identified by the contractor; plus
- d. The associated general and administrative costs applied to the total of the direct labor costs, the labor-related expenses, and ODC; plus
- e. The associated fixed and award fees on the above costs.

4.4.2.2.2 Civil Service Labor. The direct costs for services provided by NASA civil service labor supporting the reimbursable task shall include components of personnel compensation. Labor does not include the time of 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 payroll taxes and fringe benefits.

4.4.2.2.3 Property and Facilities. The direct costs for property or facilities provided by NASA to a customer under the CSLA or CSCA shall include:

- 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 additional maintenance or other operations that NASA would not otherwise perform.

4.4.2.2.3.1 In the case of shared property or facilities, where the resource has been determined to be excess to current government requirements, and temporarily available for customer needs, a reasonable allocation of direct costs associated with that portion of the property or facility may be charged.

4.4.2.2.4 Other Costs. Other costs that are customarily charged to reimbursable projects, which may include but would not be limited to travel, transportation, materials and supplies; but not including those exclusions which are described in 4.4.2.3.

4.4.2.2.5 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, those shall be distinguished and considered as direct costs. 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 may include, but not be limited to,

a. The costs attributable to consumption of utilities, commodities, or other measureable consumables and which could be directly related to the reimbursable project; and

b. 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.

4.4.2.3 The following should not be included when calculating the direct costs for services or property provided to commercial entities under the CSLA and CSCA:

a. Reimbursable assessments for Center Management and Operations (CM&O), Agency Management and Operations (AM&O), administrative fee for Headquarters and Jet Propulsion Laboratory (JPL), or any other indirect costs.

b. Allocation of service pools where the service pool costs would be incurred without regard to the specific commercial launch effort (except for costs which can be specifically associated with the reimbursable project as described in Section 4.4.2.2.5).

c. Recovery of infrastructure overhead and similar charges.

4.4.3 NASA Centers are not limited to charging direct costs 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.

4.4.4 While NASA has CSCA authority available, Agency policy is to use the authority provided under the Space Act in lieu of CSCA. Any exceptions to this policy must be reviewed by the Office of General Counsel and approved in writing by the OCFO Director for Policy.

4.4.5 The Center Chief Financial Officer (CFO) shall review and approve the assumptions, validity, and reasonableness of all charges. For agreements where less than full cost reimbursement is anticipated, approval is also required by the program manager in control of the unreimbursed portion.

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

4.4.7 All agreements in support of commercial crew or cargo transportation shall be concurred on by the appropriate program manager(s) responsible for commercial crew and/or cargo transportation or their designee, irrespective of whether any program/CM&O funds are going to be used to pay for any unreimbursed costs. This concurrence will be required prior to the completion of the Estimated Price Report. 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**

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

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

4.5.2.1 5 U.S.C. § 5911, Quarters and Facilities; Employees on the United States.

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

4.5.3 Explanations of Terms.

4.5.3.1 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.

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

4.5.4 Roles and Responsibilities.

4.5.4.1 Installation Director. The Installation Director, who has custody over quarters, as well as, the authority to rent the quarters will:

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 Associate Administrator for Institutions and Management of the need to adjust basic rental rates based on changes in the CPI. Advise the Associate Deputy Administrator for Institutions and Management 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.

4.5.4.2 Assistant Administrator for Infrastructure and Administration. The Assistant Administrator for Infrastructure and Administration will:

a. Keep the CFO and the Associate Deputy Administrator for Institutions and Management 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 OMB Circular No. A-45.

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

d. Authorize specific adjustments to general rents.

4.5.4.3 Associate Administrator for Institutions and Management. The Associate Administrator for Institutions and Management will:

a. Provide qualified appraisers to Installation 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.

b. 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.

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

4.5.5 Determining Rental Rates.

4.5.5.1 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 OMB Circular No. A-45, Rental and Construction of Government Quarters.

## **CHAPTER 5. Enhanced Use Leases (EUL) of Real Property**

### **5.1 Overview**

5.1.1 This NID establishes financial management policies for Enhanced Use Lease (EUL) agreements, related procedures and funding arrangements, and use of proceeds derived from EUL agreements. These policies are applicable to all EUL agreements and executed by National Aeronautics and Space Administration (NASA) Headquarters offices and the NASA Centers. In the context of this NID, EUL lease 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 Section 315 of the Space Act (42 U.S.C. § 2459j) gives the Administrator authority to lease NASA real property to other Federal Agencies and non-Federal entities, to lease 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 other purposes.

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 leases 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 leases (i.e., amounts to be credited to the capital asset accounts), shall remain available for a period of five years.

5.1.4 EUL authority was modified by the Consolidated Appropriations Act, 2008 (Public Law 110-161), 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 removes 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 leases entered into prior to December 31, 2008 at Ames Research Center and Kennedy Space Center and subject to the terms of those lease agreements.

5.1.5 In accordance with Public Law 111-117, Consolidated Appropriations Act 2010, net proceeds derived from cash consideration collected in FY 2010 and thereafter shall be available for a period of five years.

5.1.6 Sunset. Authority to enter into EUL leases shall expire on December 26, 2017. The expiration of EUL authority to enter into leases shall 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.

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

## **5.2 Pricing of Lease Agreements**

5.2.1 Lease agreements shall 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.

5.2.2 Fair market values of lease agreements shall be supportable and should be established using market surveys as discussed in Chapter 4 of this NID 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 terms shall be 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 shall 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 shall be 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, periodic adjustments in fair market value pricing should take into consideration improvements that were funded by the lessee. Generally, the fair market value of the property as used to determine the contractual lease payments shall be determined without considering improvements made by the lessee.

5.2.5 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 in this Chapter, collections associated with EUL leases can result in net proceeds. Net proceeds of EUL leases are discussed in the Section 5.6.

### **5.3 Recording of EUL Lease Agreements**

5.3.1 Lease agreements under EUL authority shall be established in the Agency accounting system under a no year account as directed by the Office of the Chief Financial Officer (OCFO).

5.3.2 Each year, Centers shall prepare estimates of collections for amounts owed to NASA under this authority and shall submit estimates to OCFO for the purpose of preparing an apportionment request to the Office of Management and Budget (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 lease agreement. The estimate shall 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 shall be distinguished from anticipated reimbursements. Budgetary resources derived from EUL authority shall include the unobligated balance brought forward into the new fiscal year (i.e., carryover).

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

5.3.4 An Estimated Price Report (EPR) for the agreement shall be prepared generally in accordance with the format provided in the Appendix C. The full cost of the agreement on the EPR shall include cost components as described in the Section 5.5 of this NID and shall 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 NID. That facilities charge should be represented on the Center Management and Operations (CM&O) 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 5.5.2, that charge shall be included in the amount entered on the CM&O line on the EPR. The EPR shall 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 lease agreement shall 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.

5.3.5 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 shall be recognized on an accrual basis not less frequently than annually so that fiscal year end data shall 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 lease 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 shall 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 shall 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:

5.4.3.1 Payment of Cash.

5.4.3.2 In Kind Consideration. NASA (i.e., at the two EUL demonstration Centers, Ames Research Center and Kennedy Space Center) is authorized to accept in kind consideration in lieu of cash for rent with leases entered into prior to December 31, 2008.

5.4.3.2.1 In kind consideration shall 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.

5.4.3.2.2 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 shall be submitted to the Office of Strategic Infrastructure for approval.

5.4.3.2.3 Contributed materials, supplies, facilities, and property, if significant in amount, should be recorded at their fair value, and 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.

5.4.3.2.4 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.

5.4.3.2.5 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 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 shall remain available until expended. Because the funds collected under this authority to cover the full costs of leases shall remain available until expended, the amounts collected to cover lease costs shall be tracked separately in a no year account. The full cost of leases under this authority shall consist of the following in accordance with provisions of EUL lease agreements in accordance with Section 5.1.3.2.

5.5.2 Facilities charge. A Center entering into an EUL lease 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, undeveloped land). That cost should reflect indirect costs, general use of facilities services (i.e., shared charge for security services, procurement activities), and building maintenance (including both routine and major building repairs) of comparable properties at the Center, but shall not reflect costs associated with Civil Service labor. A charge shall 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 the regular recurring lease payment by the lessee. Amounts collected to cover this charge shall be available to fund expenses at the Center which constitute the basis for that charge. That could be considered an equivalent of a standard CM&O charge normally assessed on reimbursable agreements.

5.5.3 Lease Management and Administration. 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, financial management), but shall not include costs of Civil Service labor. 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 shall not result in additional charges to the lessee over the regular lease payment covered in the lease agreement. 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. 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. Generally, costs associated with site preparation, facilities upgrade, etc. in order to make a property usable by the lessee shall be borne by lessee and shall be reflected in an appropriate adjustment to the fair market value of the lease. If NASA is arranging for site preparation activities, the charge shall be billed in addition to regular recurring lease payments and shall be based on reimbursement to NASA of direct costs incurred by NASA for providing the service. Such costs shall not include costs for Civil Service labor. 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 CM&O functions.

5.5.5 Costs for demand services representing 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 5.5.1, 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 shall not be used to cover lease management and administration, management and support, financial operations, business development, or facilities planning. The charge shall be billed in addition to regular recurring lease payments based on the fair market value of the property. The charge to the lessee for the demand services shall be based on reimbursement of costs incurred by NASA for providing the demand services. Because costs for demand services should be billed to the lessee on a cost reimbursement basis, there should be no net proceeds derived from demand services. Services for work outside the scope of the EUL lease 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. 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 shall generally be considered as part of lease administration costs associated with the EUL program at the Center (as described in 5.5.3). If lease administration costs are not separately identified as a component of the full cost of the lease, those costs shall be included as part of the facilities charge (as described in 5.5.2). If the appraisal or market survey is specific to a lease agreement that is already in place, costs shall 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. 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 shall not result in incremental billings to the lessee over and above the regular lease payments covered in the lease agreement. Costs for appraisals or market surveys shall not include costs for Civil Service labor.

5.5.7 Other Incremental Costs Traceable to the Lease. Examples 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 of lease administration. If the costs would not be properly considered part of lease administration, a determination shall 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. Costs not otherwise described above shall 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 leases, including demand services, shall be considered as part of the lease for the purpose of reporting of EUL activity and shall not be considered as under separate reimbursable authority. Agreements for all support activities shall 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 shall 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 shall not be affected by the lease costs, full costs of the leases shall be recorded so they can be included for financial reporting purposes.

5.5.10 Where it is indicated that components of lease costs can not include Civil Service labor, those costs shall 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 ), shall not include Civil Service labor. Rates calculated for the recovery of indirect costs shall 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 shall be recognized as net proceeds from the EUL leases.

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 (35) percent shall be deposited in capital asset accounts to be established by the Administrator, shall 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 shall remain available until expended. Amounts derived from collections in FY 2010 and thereafter shall remain available for a period

of five years. Distinctions shall be maintained for accounts with different periods of availability. Capital accounts shall be managed by the Office of Strategic Infrastructure on behalf of the Agency.

5.6.2.2 The remaining sixty-five (65) percent shall 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 shall remain available until expended. Amounts derived from collections in FY 2010 and thereafter shall remain available for a period of five years. Distinctions shall be maintained for accounts with different periods of availability. Those amounts shall 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 shall 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 shall remain available until expended. Contributions of net proceeds to the account that is available to be used for maintenance or daily operating costs shall require prior approval by the Office of Strategic Infrastructure.

5.6.4 None of the amounts of the capital asset accounts derived from cash collections realized in FY 2010 and thereafter shall 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 shall be based on cash collections reflecting net proceeds of EUL leases. That may include cash amounts collected, but owed to NASA in prior periods. Amounts deposited into the capital asset account shall not reflect in kind consideration received by NASA under the terms of EUL leases. Amounts shall be credited to the capital asset accounts described in Section 5.6 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 capital asset account(s) described in Section 5.6.

5.7.3 The capital asset accounts derived from collections prior to FY 2010 shall remain available until expended in a no year fund. Amounts derived from collections in FY 2010 and thereafter shall remain available for a period of five years. Distinctions shall 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 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 the EUL Desk Guide as issued by that office.

5.8.5 If the lessee makes property upgrades at its expense, information regarding the upgrades shall be coordinated with the Office of Strategic Infrastructure. That may include, but is not limited to site preparation costs. Where applicable, it shall 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 shall be the responsibility of the Office of Strategic Infrastructure in coordination with OCFO. EUL reports shall 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 5.7. Reporting shall provide the capability to distinguish the following.

5.9.2 Fiscal year beginning and ending balances of the capital asset account.

5.9.3 Revenue derived from each lease and related collections. Distinctions shall be provided for cash collections versus collections consisting of in kind consideration. Data shall be traceable to source documents recorded in the Agency accounting system.

5.9.4 Costs directly associated with each lease in order to derive the full cost of each lease agreement.

5.9.5 Use of proceeds in accordance with provisions in EUL authority and as described above. Data shall be traceable to source documents recorded in the Agency accounting system.

## APPENDIX A. Definitions

**A.1 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.”

**A.2 Commercial Launch.** For purposes of the Commercial Space Launch Act (CSLA), commercial launches are launches under Federal Aviation Act (FAA) license. Such launches include FAA licensed launch carrying a NASA payload pursuant to a contract between NASA and the commercial launch provider.

**A.3 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.

**A.4 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).

**A.5 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 contribute 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 Center Management and Operations (CM&O), except in the cases of Headquarters and Jet Propulsion Laboratory (JPL) agreements. Generally, it would not include Agency Management and Operation (AMO). The level of Headquarters 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 Headquarters and JPL reimbursable agreements would include an administrative fee. See the discussion of the “Administrative Fee for Headquarters and JPL Reimbursable Agreements,” in Chapter 3 of this document.

**A.6 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: (a) 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; (b) 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.

**A.7 Interagency Agreements (IA).** Interagency Agreements are agreements between NASA and another Federal agency that document the performance terms and conditions between the parties.

**A.8 Launch and Reentry Services.** Launch and reentry services, including utilities, are activities that are directly related to an identified launch into or reentry from space of a launch vehicle or launch payload. Launch services include services for flight and ground safety; engineering; acceptance of the launch vehicle, payload, and their components, and their storage and handling; processing the vehicle, payload, and crew (including training) and space participants for launch; integrating the launch vehicle and payload; and conducting the launch. Reentry services include services for activities at the reentry site and during transportation from the reentry site to its next planned location; preparation of the reentry vehicle and payload, crew (including training), and space participants for reentry; and conduct of the reentry.

**A.9 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.

**A.10 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.

**A.11 Space Act Agreements.** NASA's "Space Act Agreements Manual," NAI 1050-1 describes the types of Space Act Agreements and contains detailed guidance and advice for entering into Space Act Agreements.

**A.12 Domestic Space Act Agreements** are agreements between NASA and a non-government U.S. entity.

**A.13 International Space Act Agreements** are agreements between NASA and a non-U.S. entity. International reimbursable agreements are established and negotiated by NASA Headquarters. The Assistant Administrator for External Relations is responsible for the negotiation, execution, amendment, and termination of International Agreements.

**A.14 Space-Related Facilities** are 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.

## **APPENDIX B. Description of Authority**

**B.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.

**B.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 Office of the Chief Financial Officer (OCFO) shall be responsible for that review.

**B.3 Commercial Space Competitiveness Act - Use of Government Facilities (15 U.S.C. § 5807).** 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.

**B.4 Commercial Space Launch Act (49 U.S.C. § 70101, et seq.).** 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.

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

**B.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 must 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.

**B.7 Executive Orders and Regulations.** The following Executive Branch issuances pertain to NASA’s operations:

**B.8 Federal Acquisition Regulation (FAR) Part 17.5, Interagency Acquisitions.** Under the Economy Act and PART 1817.5 of the NASA FAR supplement The Federal Acquisition Regulation contains requirements and guidance concerning the use of reimbursable agreements between Federal agencies.

**B.9 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 (A) the costs to the Government; (B) the value of the service or thing to the recipient; (C) public policy or interest served; and (D) other relevant factors. User charges are ordinarily deposited into Treasury miscellaneous receipts, but may be retained by NASA where authorized by law. Detailed procedures for user charges are included in the Office of Management and Budget (OMB) Circular No. A-25.

**B.10 Land Remote Sensing Policy Act of 1992, (15 U.S.C. § 5601 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 term “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 shall 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.

**B.11 National Aeronautics and Space Act of 1958 (42 U.S.C. § 2451 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.

**B.12 NASA Advisory Implementing Instruction (NAII) 1050-1, “Space Act Agreements Guide,”** March 7, 2008. This guide provides guidance and sample clauses on various classes of agreements divided according to the type of agreement and identity of the parties.

**B.13 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.

**B.14 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.

**B.15 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.

**B.16 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.

**B.17 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 shall 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.

**B.18 OMB Circular No. A-45, *Rental and Construction of Government Quarters*.** This Circular provides policy and direction concerning charges for rental quarters.

**B.19 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 C. Sample Estimated Price Report

Customer:  
 Customer Order Number:  
 Work Breakdown Structure:

Unique Project Number:

<u>Cost Element</u>	Estimated		
	Full Cost	Price Adjustment	Price Charged Customer
1. Civil Service Labor (Including Fringe):			
2. Civil Service Travel			
3. Contractor Costs			
4. Other Direct Costs (Materials, Purchases, Grants, etc.)			
5. Service Pool Costs			
6. Unfunded Costs			
7. CM&O Assessment			
8. CAAS			
9. HQ/JPL Admin Fee			
10. Other Indirect Cost Assessments			
11. Agreement Total			

Basis for Price Determination (including justification for price adjustments):

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Source of funding for waived or excluded costs:

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Required Signatures

Program Manager or representative: (if applicable)

Name \_\_\_\_\_ Signature \_\_\_\_\_  
Title \_\_\_\_\_ Date \_\_\_\_\_

Agreement Manager:

Name \_\_\_\_\_ Signature \_\_\_\_\_  
Title \_\_\_\_\_ Date \_\_\_\_\_

Chief Financial Officer:

Name \_\_\_\_\_ Signature \_\_\_\_\_  
Title \_\_\_\_\_ Date \_\_\_\_\_

Others, as applicable:

Name \_\_\_\_\_ Signature \_\_\_\_\_  
Title \_\_\_\_\_ Date \_\_\_\_\_

## Instructions for Completion of the Estimated Price Report

The sample Estimated Price Report shown above consist of three sections.

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

1. The customer's name and address.
2. The customer order number.
3. The Work Breakdown Structure (WBS).
4. The Unique Project Number.

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 either the adjustment needed to get to the market price, or the amount of waived cost based on a determination, or indirect costs excluded in accordance with CSLA or CSCA, or a combination of these adjustments.

**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 a breakout costs by service pool.

**Row 6. Unfunded Costs.** This row contains the amounts of unfunded costs that would be applicable to the reimbursable agreement. Examples include depreciation or withdrawals from inventory, if any. This row should not include unfunded costs for earned annual leave (that should be included with Civil Service labor costs). Unfunded costs should be a valid cost component that could be billed to the reimbursable customer but for which there should not be reimbursable budget authority distributed.

**Row 7. CM&O.** This row contains the amounts of CM&O charges that are applicable to the reimbursable agreement, based on the Agency-determined rate for that fiscal year.

**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 Sections 3.2.3.1.2, 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 Administrative Fee.** This row contains the Headquarters administrative fee that is applicable to reimbursable work performed at Headquarters or the Jet Propulsion Laboratory, based on the Agency-determined rate for that fiscal year.

**Row 10. Other Indirect Cost Assessments.** This row contains any other indirect cost assessment not included in Rows 7 – 9.

**Row 11. Agreement Total.** This row is the sum of rows 1 through 10.

**Basis for Price Determination.** The third section of the EPR contains information about the market survey or other process used to establish the price to be paid by the customer. This would include rationale or justification for any price adjustments, including cost waivers or indirect costs that are excluded under a CSLA or CSCA agreement.

**Source of funding for waived or excluded costs.** Enter the source or sources of the funding needed to cover waived or excluded costs applicable to this agreement. Excluded costs are those that would not be chargeable in accordance with the authority being used (e.g., CSLA).

The last section of the EPR contains the names, titles, signatures, and signature dates of the Program Manager (if applicable), Agreement Manager, and Center Chief Financial Officer. Additional approvers may be added to the EPR at the discretion of the Center.