

OFFICE OF NAVAL RESEARCH (ONR) FREQUENTLY ASKED QUESTIONS (FAQs)

For Current and Prospective Awardees Impacted by Novel COVID-19

Related to the DoD-wide Supplemental Terms & Conditions for the COVID-19 Crisis

The Department of Defense (DoD) is aware that many in the research community are impacted by COVID-19. The DoD is taking action to provide greater flexibility to the research community in this challenging time. DoD's guidance is consistent with the Office of Management and Budget (OMB) Memorandum M-20-17 Administrative Relief for Recipients and Applicants of Federal Financial Assistance Directly Impacted by the Novel Coronavirus (COVID-19) due to Loss of Operations, dated March 19, 2020. The guidance is applicable for a 90-day period starting on March 19, 2020, or until extended by OMB.

The Office of Naval Research (ONR) supports the administrative relief authorized in M-20-17. Grant Recipients and prospective Recipients are advised that each federal agency has different authorities, and there might not be complete uniformity between departments and agencies, components of agencies, and even between programs. The safest course of action in all cases is to contact the ONR Grant Administrative Officer, Grant Officer or program officer if you have specific questions concerning your grant.

The Office of the Under Secretary of Defense for Research & Engineering issued DoD-wide supplemental Terms & Conditions (T&Cs) for the COVID-19 Crisis, which can be found at Attachment 1. Per Attachment 1 and OMB Memorandum M-20-17, recipients should be cognizant of the following for any costs incurred during this crisis:

- Recipients should not assume supplemental funding will be available should the costs incurred result in a shortage of funds to eventually carry out the project.
- Recipients must maintain appropriate records and cost documentation to substantiate the charge for any cancellation or other fees related to interruption of operations or services.
- To the maximum extent practicable, recipients will be expected to invoke or institute any and all reasonable mitigation actions and practices to lessen the cost to the Government during the crisis period. Such actions may be part of an existing program created by the grantee or may be created to respond to this crisis.

These FAQs are not intended to be exhaustive or comprehensive relative to ONR's implementation of Attachment 1, and may be updated to address new questions as they arise.

Section I: Existing Awards

Attachment 1 applies to ONR grants and "standard" cooperative agreements, but not to Technology Investment Agreements (TIA), including assistance other transaction authorities for research. For ONR TIA awards, the recipient must contact the ONR Agreements Officer to

determine what flexibilities might be provided to those awards. ONR does not issue many cooperative agreements and those that we have issued are typically TIAs.

- 1) Delay submission of financial, performance, and other reports on currently active award accounts up to three months beyond the normal due date and waiver of notification by recipients. (Attachment 1, Paragraph 1.)

Q: How and in what circumstances does Attachment 1, Paragraph 1 (DoD-wide Supplemental T&Cs) affect ONR grant or cooperative agreement reporting due dates?

A: ONR will allow for extensions of interim (periodic) reports as follows:

- a. Financial Reporting. ONR grants do not require interim financial reporting through the submission of a SF-425, but rather ONR uses the payment request process for that information. Thus, this paragraph with respect to financial reporting does not affect ONR grants.
 - b. Performance Reporting. ONR grant annual interim Research Performance Progress Reports (RPPR) are due on June 15, 2020. For any awards that are active as of that date, and that require an interim performance report on that date, recipients still should submit this report on June 15. Reports submitted after this date will be accepted and not deemed late. Please note that the submission portal for Principle Investigators funded by ONR grants is closed after August 15, 2020. We will update this FAQ if access to the submission portal is extended.
 - c. Federally-Owned Property Reporting. If your ONR award has federally-owned property (this does not include exempt property) accountable to it and the award's annual property reporting period falls into the effective timeframe covered by OMB Memorandum M-20-17 and Attachment 1, the annual property report due date, specified in REP Article III, Section C.1 is delayed up to 3 months.
 - d. Patent Reporting. If any patent-related information or reports required by REP Article III, Section D.1 are due during the effective period covered by OMB Memorandum M-20-17 and Attachment 1, the patent information/report due date is delayed for up to 3 months.
 - e. Subawards and Executive Compensation Reporting. If any information or reports required by appendix A to 2 C.F.R. Part 170 (as specified in REP Article IV) are due during the effective period covered by OMB Memorandum M-20-17 and Attachment 1,, then that information/report is delayed for up to 3 months.
- 2) Continue to charge salaries and benefits to currently active Federal awards consistent with each recipient's policy of paying salaries (under unexpected or extraordinary circumstances) from all funding sources, Federal and non-Federal (Attachment 1, Paragraph 3):

Q: Will ONR allow recipients to continue charging and reimbursing salaries, including hourly wages, and benefits to currently active ONR Grantees during periods when no work can be performed due to the effect of COVID-19?

A: Yes. Where Recipients have policies meeting all the requirements of this T&C, salary, including hourly wages, and benefit reimbursement will be considered an allowable cost on existing ONR grants, however, ONR will evaluate the recipient's ability to resume the project activity in the future and the appropriateness of future funding, as done under normal circumstances, based on subsequent progress reports and other communications with the recipient.

- 3) Extend awards that were active as of March 31, 2020 and scheduled to expire prior or up to December 31, 2020, at no-cost for a period of up to 12 months. (Attachment 1, Paragraph 4.)

Q: Will ONR issue a no-cost extension for up to 12 months, if my existing grant falls into this criteria? Is this extension automatic or do I need to request it?

A: ONR will modify all existing ONR grants ending between March 31, 2020 and December 31, 2020, to provide a one-year, no-cost extension with the following caveat as noted in the DoD-wide supplemental T&C:

- Project-specific final financial and performance reports will be due 120 days following the end date of the extension.
- If all funds were provided at the start of a project, please be aware that funding expiration statutes may prohibit extensions. Please contact the cognizant ONR Regional Office for specific guidance if ONR fully funded your grant at award.

- 4) Use the currently approved indirect cost rates (i.e., predetermined, fixed, or provisional rates) to recover indirect costs on Federal awards (Attachment 1, Paragraph 7)

Q: Can recipients use an expired indirect cost rate agreement to recover indirect cost?

A: Recipients must have an expired indirect cost rate extended by their cognizant agency for indirect cost prior to using it for recovery of indirect costs. Recipients must contact their cognizant agency for indirect cost in order to request the rate extension of existing rate agreements and that request must be approved by the cognizant agency for indirect cost.

- 5) Delay submission of any pending financial, performance, and other reports required by the terms of the award for the closeout of expired projects, provided that proper notice about the reporting delay is given by the grantee to the agency (Attachment 1, Paragraph 8)

Q: Will ONR delay submission of final reports required for closeout of an expired award impacted by the effects of COVID-19?

A: Yes. ONR will delay submission dates of final reports for awards that are not granted a no-cost extension in accordance with Attachment 1, Paragraph 4 (see ONR FAQ No. 3). Final reports for ONR awards whose period of performance ended prior to March 31, 2020, and that had a due date for final report submission within the effective period covered by the DoD-wide supplemental T&Cs period, starting on March 19, 2020 may be submitted no later than one-year after the period of performance end date.

Section II: FAQs for Specific ONR Programs

1. Q: Will ONR accept proposals for the Fiscal Year 2021 Defense University Research Instrumentation Program (DURIP) N00014-20-S-F004 after current submission deadline of 15 MAY 2020?

A: No, at this time ONR and the other DOD agencies participating in this funding announcement have decided not to extend the submission date. IF this changes, we will update the funding announcement and this FAQ.

2. Q: Will ONR accept white papers for the Fiscal Year (FY) 2021 Department of Defense Multidisciplinary Research Program of the University Research Initiative N00014-20-S-F003 after the current submission deadline of 01 Jun 2020?

A: No, at this time ONR and the other DOD agencies participating in this funding announcement have decided not to extend the submission date. IF this changes, we will update the funding announcement and this FAQ.

Section III: FAQs for International Recipients

(FAQs will be provided in a subsequent revision)

ALLOW EXEMPTIONS FOR DOD FINANCIAL ASSISTANCE RECIPIENTS AFFECTED
BY THE LOSS OF OPERATIONAL CAPACITY AND INCREASED COSTS DUE TO THE
COVID-19 CRISIS.

Consistent with OMB Memorandum M-20-17, for a 90-day period starting March 19, 2020 or until extended or rescinded by OMB. Except where noted below, the following flexibilities are applicable to DoD recipients affected by the loss of operational capacity and increased costs due to the COVID-19 crisis. DoD will allow recipients to:

1. Delay submission of financial, performance, and other reports on currently active award accounts up to three months beyond the normal due date (2 CFR § 200.327). In addition, the DoD waives the requirement for recipients to notify the agency of problems, delays, or adverse conditions related to COVID-19 on an award-by-award basis (2 CFR § 200.328(d)(1)).
 - Recipients must submit the reports at the end of the postponed period.
 - For any other deliverables related to research awards, please contact the DoD grants manager and/or program manager for award specific guidance.

2. Incur costs related to the cancellation of events, travel, or other activities necessary and reasonable for the performance of the award, or the pausing and restarting of grant funded activities due to the public health emergency, to charge these costs to their award without regard to 2 CFR § 200.403, *Factors affecting allowability of costs*, 2 CFR § 200.404, *Reasonable costs*, and 2 CFR § 200.405, *Allocable costs*.
 - Recipients may charge the full cost of cancellation for events, travel, or other activities when the event, travel, or other activities are conducted under the auspices of the grant.
 - Recipients should not assume additional funds will be available should the charging of cancellation or other fees result in a shortage of funds to eventually carry out the event or travel.
 - Recipients must maintain appropriate records and cost documentation as required by 2 CFR § 200.302 -*Financial management* and 2 CFR § 200.333 *Retention requirement of records*, to substantiate the charge for any cancellation or other fees related to interruption of operations or services.
 - Recipients must follow applicable institution policy on allowable expenses for travel.
 - To the maximum extent practicable, recipients will be expected to invoke or institute any and all reasonable mitigation actions and practices to lessen the cost to the Government during the crisis period. Such actions may be part of an existing program created by the grantee or may be created to respond to this crisis.

3. Continue to charge salaries and benefits to currently active Federal awards consistent with the recipients' policy of paying salaries (under unexpected or extraordinary circumstances) from all funding sources, Federal and non-Federal.
 - Charge other costs necessary to resume activities supported by the award, consistent with applicable Federal cost principles and the benefit to the project. The DoD will evaluate the grantee's ability to resume the project activity in the future and the appropriateness of future funding, as done under normal circumstances, based on subsequent progress reports and other communications with the grantee.

- Recipients are required to maintain appropriate records and cost documentation as required by 2 CFR § 200.302 - *Financial management* and 2 CFR § 200.333 - *Retention requirement of records* to substantiate the charging of any salaries and other project activities costs related to interruption of operations or services.
 - Recipients are required to follow the guidance in 2 CFR § 200.430 regarding allowability of tuition re-imbusement.
 - To the maximum extent practicable, recipients will be expected to invoke or institute any and all reasonable mitigation actions and practices to lessen the cost to the Government during the crisis period. Such actions may be part of an existing program created by the grantee or may be created to respond to this crisis.
4. Extend awards that were active as of March 31, 2020 and scheduled to expire prior or up to December 31, 2020, automatically, at no-cost for a period of up to 12 months.
- Project-specific financial and performance reports will be due 90 days following the end date of the extension.
 - **If all funds were provided at the start of a project, please be aware that funding expiration statutes may prohibit extensions. Please contact the DoD grants manager for award specific guidance.**
5. Waive prior approval requirements to effectively address the response, except for change of scope or principle investigator.
- All costs charged to Federal awards must be consistent with Federal cost policy guidelines and the terms of the award, except where specified in these emergency terms.
6. Waive the procurement requirements contained in 2 CFR § 200.319(b), regarding geographical preferences, and 2 CFR § 200.321, regarding contracting small and minority businesses, women's business enterprises, and labor surplus area firms.
7. Use the currently approved indirect cost rates (i.e., predetermined, fixed, or provisional rates) to recover their indirect costs on Federal awards.
- Recipient may request an extension on the use of the current rates for one additional year without submission of an indirect cost proposal.
 - For those recipients for which the DoD is the cognizant indirect-costs agency, recipients may requests an extension of the indirect cost rate proposal submission to finalize the current rates and establish future rates.
8. Delay submission of any pending financial, performance, and other reports required by the terms of the award for the closeout of expired projects, provided that proper notice about the reporting delay is given by the grantee to the agency.
- Recipients my submit closeout reports within one year after the award expires.
9. Delay the completion and submission of the Single Audit reporting package, as required under Subpart F of 2 CFR § 200.501 - *Audit Requirements*, to six months beyond the normal due date, for those recipients that the DoD is the cognizant or oversight agency for audit and

that have not yet filed their single audits with the Federal Audit Clearinghouse as of the date of the issuance of this memorandum that have fiscal year-ends through June 30, 2020.

- Recipients and subrecipients must maintain documentation of the reason for the delayed filing.
- Recipients and subrecipients taking advantage of this extension would still qualify as a "low-risk auditee" under the criteria of 2 CFR § 200.520(a) - *Criteria for a low-risk auditee*.