



NASA OFFICE OF INSPECTOR GENERAL

OFFICE OF AUDITS
SUITE 8U71, 300 E ST SW
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August 9, 2021

TO: Robert Gibbs
Associate Administrator, Mission Support Directorate

Margaret Vo Schaus
Chief Financial Officer

SUBJECT: Final Memorandum, *Review of Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding* (IG-21-024, A-21-007-00)

The COVID-19 pandemic has had a dramatic impact on the American economy and federal government operations. In response to the pandemic, in March 2020 Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The CARES Act provided NASA with \$60 million for safety, security, and mission support to prevent, prepare for, and respond to coronavirus. The Agency is using the funding, which is available until September 30, 2021, to address financial impacts to its contractor workforce, enhance information technology (IT) infrastructure to support full-time telework, clean and disinfect facilities, and purchase personal protective equipment. NASA was also given authority under Section 3610 of the CARES Act to amend contracts and reimburse contractors for paid leave for workers who were unable to access their work sites due to pandemic closings and restrictions at NASA facilities, provided the contractor kept its employees and subcontractors in a ready state.¹ This audit examined NASA's spending of CARES Act funds. See Enclosure 1 for details on the scope and methodology.

Background

The CARES Act—a \$2.3 trillion economic relief package—provides direct financial help to Americans; immediate assistance for hospitals, healthcare first responders, and patients; support for small businesses; and assistance for distressed businesses such as air carriers. The Act also funds

¹ Section 3610, Division A of the CARES Act provides NASA this authority through September 30, 2021.

pandemic-related recovery operations at federal agencies.² In conjunction with the Act, the Office of Management and Budget (OMB) provided agencies with guidance on how the funds were to be spent and requirements for reporting. As the pandemic evolved, OMB issued additional memoranda on how federal agencies should use CARES Act funding. For example, OMB identified steps agencies could take to ensure safe operations while maintaining continued contract performance in support of their missions, such as maximizing telework; using remote acquisition strategies; and extending contract performance dates if telework or other flexible work solutions were not possible or if a contractor was unable to perform in a timely manner due to quarantine.³

NASA also issued pandemic-related procurement guidance. The Office of the General Counsel (OGC) worked with the Agency's Office of Procurement to identify laws, regulations, and flexibilities to address the pandemic prior to implementation of the CARES Act; assisted in benchmarking against other federal agencies; and made adjustments to the COVID-19 contractor agreements, known as advanced agreements, in order to ensure they were written in accordance with the finalized CARES Act authority.⁴ The Office of Procurement also issued numerous pandemic-specific Procurement Information Circulars and other policy guidance. For example, a May 2020 circular provided directions to contracting officers and contract specialists for using emergency acquisition flexibilities related to the pandemic, including encouraging the use of special emergency procurement authorities to enable a more rapid response as well as detailing documentation requirements for Section 3610 expenditures. In subsequent guidance, NASA provided contracting officers and contractors instructions related to cost incurrence, reporting of ongoing work or interruptions associated with the pandemic, and special invoicing.⁵

At NASA, the Mission Support Directorate (MSD) is responsible for managing CARES Act funds; however, multiple other organizations such as the Office of the Chief Financial Officer (OCFO), the Office of the General Counsel, the Office of the Chief Health and Medical Officer (OCHMO), and the Office of the Chief Information Officer (OCIO) defined agency priorities, provided guidance, and set and reviewed requirements for CARES Act spending. MSD took the lead and identified seven institutional areas that needed portions of NASA's \$60 million in CARES Act funding to support continued operations and worked with the OCFO to establish seven accounting codes to track CARES Act expenditures in the Agency's financial system. According to MSD officials, NASA's experience with recent government shutdowns helped in defining these spending categories, particularly when it came to managing unforeseen increases in contractor costs, Center restart activities, cleaning, and IT upgrades.

² The amount of CARES Act funds received by federal agencies varied significantly. For instance, the Department of Defense received over \$10.5 billion, the National Science Foundation over \$75 million, and the Environmental Protection Agency approximately \$7 million.

³ OMB M-20-18, *Managing Federal Contract Performance Issues Associated with the Novel Coronavirus (COVID-19)*, March 20, 2020, and OMB M-20-27, *Additional Guidance on Federal Contracting Resiliency in the Fight Against the Coronavirus Disease (COVID-19)*, July 14, 2020.

⁴ Advanced agreements establish terms between NASA and contractors and are intended to regulate subsequent requests for equitable adjustments and provide for provisional billing during facility closures related to COVID-19.

⁵ NASA issued memoranda and guidance for the acquisition community including: *Frequently Asked Questions regarding COVID-19 Impacts and the Advanced Agreement for NASA Contractors*, dated April 7, 2021; *NASA Vendor Payments in Relation to COVID-19*, dated April 1, 2020; *Special Invoicing Instructions for NASA Contractors regarding COVID-19 Billing*, dated April 2, 2020; and Procurement Information Circular 20-02A, *Novel Coronavirus Disease 2019 (COVID-19) Contractor Guidance*, Initial Date: May 4, 2020, Updated: June 4, 2020.

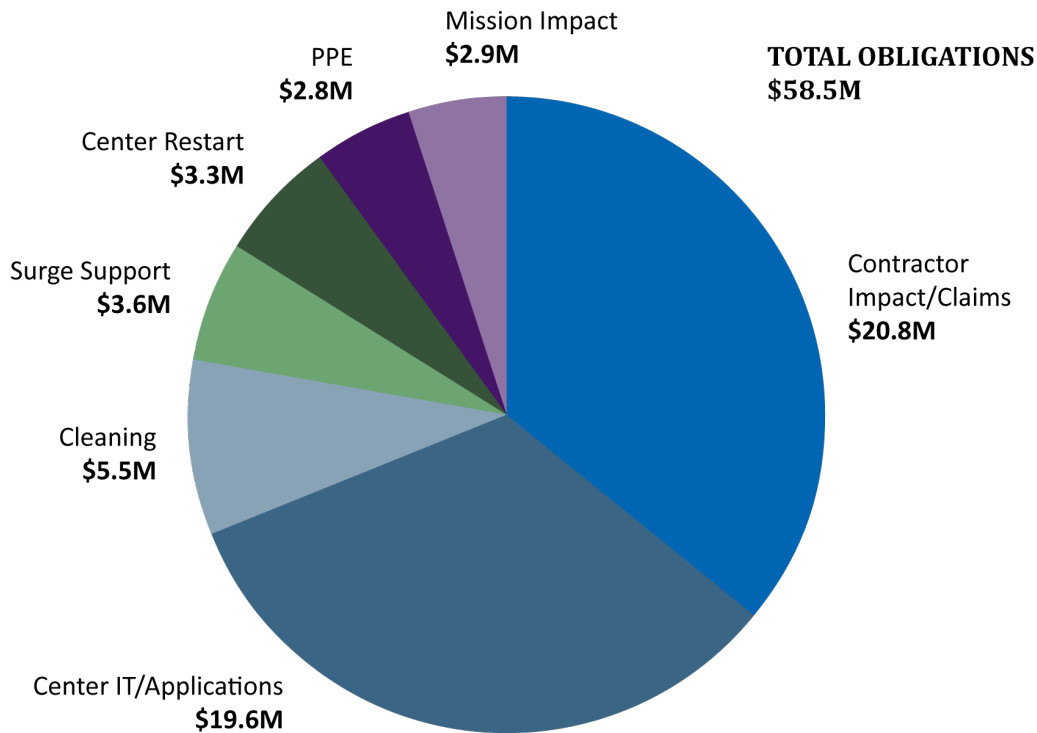
NASA's seven CARES Act categories are:

- **Cleaning.** Facilities that remained open during the pandemic needed extra cleaning, disinfecting, and securing. In addition, some facilities required additional cleaning and disinfecting as a result of contact with infected individuals.
- **Center IT/Applications.** Additional capability to support Agency-wide telework and provide enhanced collaboration tools, such as teleconference lines, video conferencing, Microsoft Teams capability, and mobile devices.
- **Surge Support.** Increases in specific services, such as procurement resources to support CARES Act purchases.
- **Mission Impact.** Support related to potential mission impacts. For example, some facilities needed routine maintenance and upkeep while programs were unable to use test equipment.
- **Center Restart.** Additional costs associated with returning to normal operations at NASA Centers.
- **Contractor Impact/Claims.** Address contractor impacts, including costs associated with requests for equitable adjustments and Collective Bargaining Agreement provisions.⁶
- **Personal Protective Equipment (PPE).** Purchase additional PPE separate from supplies covered under cleaning.

⁶ Requests for equitable adjustments are defined in the Federal Acquisition Regulation and NASA Federal Acquisition Regulation Supplement (FAR 52.242-15, NFS 1852.242-72). Requests for equitable adjustments are a type of proposal submitted by contractors in response to a unilateral contract change order. A contractor may submit a request for equitable adjustment to the government for payment when unforeseen or unintended changes occur within the contract causing an increase in contract costs such as government modification of the contract, differing site conditions, defective or late-delivered government property, or issuance of a stop work order. Contracting officers must consider any Collective Bargaining Agreement provisions previously negotiated between the contractor and labor union prior to approving requests for equitable adjustments.

As of June 2021, NASA had obligated \$58.5 million of its \$60 million (97.5 percent) in CARES Act funding (see Figure 1).

Figure 1: NASA CARES Act Obligations by Category



Source: NASA financial data as of June 2021.

In response to the pandemic and in accordance with guidance from the Centers for Disease Control and Prevention (CDC), NASA shifted its operations in March 2020 by closing facilities and requiring mandatory telework for nonessential government and contractor employees. By mid-April 2020, 90 percent of the Agency’s workforce was working from home; all nonessential travel was canceled; and 12 of the Agency’s 18 major facilities were closed, while the remaining 6 transitioned to in-person support for “mission critical” operations only. As of May 2021, approximately 87 percent of NASA’s workforce continued to work from home.

Generally, when facilities are closed federal contractors do not work and are not paid. However, during the pandemic OMB instructed agencies to consider whether it would be beneficial to keep skilled professionals or key personnel in a ready state for activities deemed critical to national security or other high priorities.⁷ Therefore, NASA informed its contractors to “maintain readiness to assume full performance of all contract requirements when the emergency has passed.”

To facilitate this, NASA enabled certain flexibilities such as maximizing telework, identifying alternate work that could be performed remotely, and paying for contractor employees who were unable to

⁷ OMB M-20-18, *Managing Federal Contract Performance Issues Associated with the Novel Coronavirus (COVID-19)*, March 20, 2020.

telework. NASA used two authorities—one existing and one provided in the CARES Act—to reimburse contractors for the cost of paid leave during the pandemic:

1. **NASA Federal Acquisition Regulation (FAR) Supplement Authority.** An existing clause in NASA contracts—derived from NASA FAR Supplement (NFS) 1852.242-72, *Denied Access to NASA Facilities*—instructs that for the period that NASA facilities were not accessible to contractor employees, the contracting officer may adjust the contract performance or delivery schedule, forego the work, reschedule the work, or consider requests for equitable adjustment to the contract.
2. **Section 3610 of the CARES Act.** Section 3610 of the CARES Act permits federal agencies to reimburse contractors and subcontractors who provided paid leave to employees who were:
 - unable to access work sites due to facility closures or other restrictions, or
 - tasked with duties that could not be performed remotely.

Although CARES Act funding could have been used to pay NASA contractors, MSD realized that this would quickly deplete the Agency’s total CARES Act appropriation (\$60 million). Such a depletion would have left the Agency unable to procure PPE and other supplies required to continue critical missions and support essential employees working in-person at Centers with CARES Act funds. Therefore, NASA opted to use the procurement flexibilities derived from the NASA FAR Supplement to reimburse contractor paid leave costs. Contractor impacts other than paid leave, such as delayed work or extra tasks incurred as a result of the pandemic, were paid using CARES Act funds. Due to the continued uncertainties around the pandemic and the length of facility closures, these costs will likely go well beyond the \$60 million NASA received from the CARES Act. In March 2021, we reported that total impact of the pandemic on NASA’s major programs and projects may exceed \$3 billion.⁸

As of June 2021, NASA reported \$89 million in potential Section 3610 reimbursements. According to Agency officials, this included both Section 3610 and non-3610 reimbursements, and the data did not segregate reporting costs. Agency officials noted that contracting officers will manually separate these costs when closing contractors’ requests for equitable adjustments, and at that point the Agency will have more visibility into the actual use of Section 3610 authority.⁹

⁸ NASA Office of Inspector General, *COVID-19 Impacts on NASA’s Major Programs and Projects* (IG-21-016, March 31, 2021).

⁹ NASA reported \$80 million in potential section 3610 reimbursements to the Government Accountability Office in March 2021; *COVID-19 CONTRACTING: Contractor Paid Leave Reimbursements Could Provide Lessons Learned for Future Emergency Responses* (GAO-21-475, July 28, 2021).

NASA APPROPRIATELY MANAGED CARES ACT FUNDS

We found that NASA appropriately managed CARES Act funds to meet congressional mandates as well as federal and Agency guidance. NASA included the appropriate experts and managers in its decision-making, executed contingency plans, moved to mandatory telework to protect the workforce, and continued mission essential operations throughout the pandemic. We also found that the 108 CARES Act transactions—totaling approximately \$12.8 million—that we reviewed were procured for pandemic-related expenses and were supported with sufficient and appropriate documentation. Furthermore, while NASA utilized a portion of its \$60 million CARES Act appropriation to pay for contractor leave authorized under Section 3610, the Agency is incurring additional costs that will continue in the near future. Therefore, it is imperative that the Agency remain vigilant in monitoring and controlling these costs.

NASA's Process to Manage CARES Act Funds Was Sound

As the accountable office, MSD established criteria for the allocation of CARES Act funds, prioritized Agency needs, collaborated with the OCFO to quickly allocate funds for the pandemic response, and tracked expenditures from commitment through disbursement. MSD officials stated that initial pandemic-related funding requests from the Centers, Mission Directorates, and Headquarters functional offices totaled approximately \$100 million. Therefore, MSD prioritized critical IT projects, procurement and distribution of PPE, cleaning supplies, and COVID-19 testing of employees to stay within the \$60 million CARES Act allocation. MSD provides oversight of CARES Act funds and, throughout the pandemic, reallocated remaining funds based on Agency requirements. The OCFO provided MSD with quarterly estimates of pandemic-related expenses by Center, organization, and the seven institutional categories.

In addition to MSD and the OCFO, organizations across NASA contributed to the pandemic response. For example:

Health. The Office of the Chief Health and Medical Officer (OCHMO) coordinated with OMB, the White House, and other federal agencies and provided input to decisions on NASA's spending of CARES Act funds. OCHMO instituted temperature checks and vital signs tracking for the limited number of employees and contractors reporting for on-site work. Additionally, OCHMO conducted a pilot study, which determined that wearable technology was superior to body temperature testing for screening on-site workers.¹⁰ Using \$141,050 of CARES Act funds, the Agency purchased 1,000 personal wearable monitors. By tracking changes to vital signs, the devices detected 46 cases of COVID-19 in a three-month period. The devices were also worn by MARS 2020 mission control employees to detect COVID-19 prior to the appearance of symptoms.¹¹ OCHMO also used

¹⁰ Wearable technology is a field of portable smart devices such as glasses, jewelry, watches, or fitness trackers that are worn on the body and can connect with other devices such as computers or smartphones.

¹¹ The MARS 2020 mission launched on July 30, 2020. Mars 2020 is a Mars rover mission that includes the Perseverance rover and the Ingenuity helicopter.

\$378,750 in CARES Act funds to procure COVID-19 testing services for NASA employees from a commercial laboratory, to include testing employees before and after official government travel.

Information Technology. Approximately one third of NASA’s CARES Act funding was allocated for IT. In the early stages of the pandemic, the OCIO focused on testing and improving system capacity to ensure employees could connect to the Agency’s system through the Virtual Private Network (VPN) and remain connected to NASA networks. OCIO also acted as a collaborator and technical evaluator between the Centers and MSD and approved Center IT acquisitions using CARES Act funds. Finally, OCIO developed a contact-tracing application in conjunction with NASA’s Chief Health and Medical Officer to aid Centers and increase efficiency with contact tracing. NASA made the application available to other agencies by partnering with the General Services Administration (GSA). According to the OCIO, the pandemic accelerated several improvements in IT processes—such as the widespread use of collaboration software—that would have occurred at a slower pace under normal operations.

Logistics. The Logistics Management Division’s (LMD) contingency plan authorized emergency personnel to return to the Centers to receive and store supplies. Several employees at each Center were tasked with reviewing invoices and determining if items received met requirements. Additionally, in conjunction with guidance from the Offices of the General Counsel and Procurement, LMD was able to conditionally accept items delivered to a Center, Center personnel were able to make payment to the vendor on the condition that the received items would undergo final inspection once employees returned to the Center, and the Agency would not waive its right to subsequently refuse items that did not meet specifications. For example, a Center independently purchased KN95 masks that had to be returned after it was determined they were counterfeit.¹² Despite some initial problems with PPE supplied through GSA contracts, LMD was able to obtain supplies that included face shields, masks, eye protection shields, gloves, gowns, electronic cleaning wipes, and hand sanitizer to accommodate 10 to 20 percent of all staff at the Centers.

In its 2020 annual report, the Aerospace Safety Advisory Panel (ASAP) concluded that NASA’s COVID-19 pandemic response was effective.¹³ The ASAP reported that NASA leadership recognized the pandemic early, which allowed the workforce to adapt and safely manage critical operations. The report also stated that, as a direct result of the significant transmission of the virus in the communities surrounding NASA Centers, there had been cases of infection and even death in the NASA workforce; however, as of January 1, 2021, there was very little evidence of transmission on NASA Centers.

¹² KN95 masks are a type of filtering facepiece respirator commonly made in China.

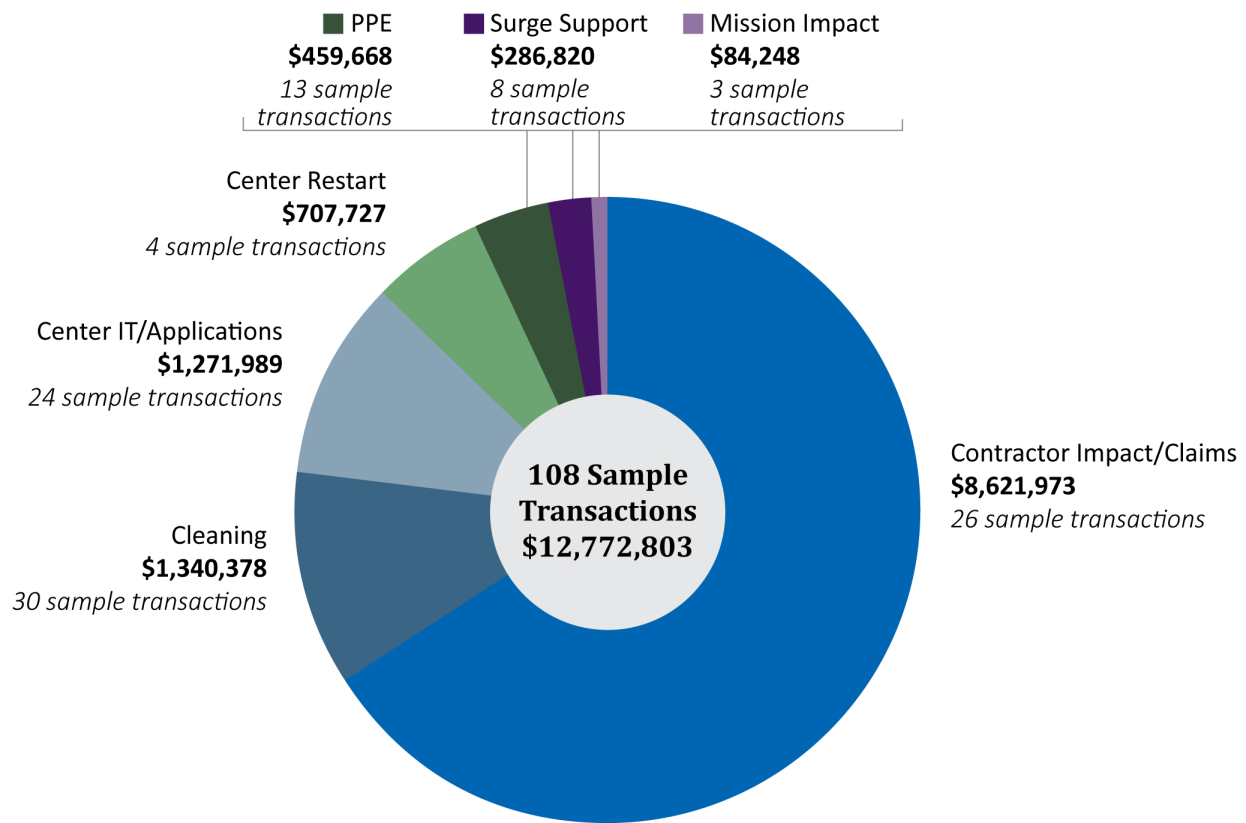
¹³ ASAP is an independent group of experts that evaluates NASA’s safety performance and advises on ways for the Agency to improve.

NASA Expended CARES Act Funds Appropriately and in Accordance with Guidelines

We found that NASA expended CARES Act funding appropriately and in accordance with OMB and Agency guidelines. We obtained the universe of CARES Act spending actions from NASA’s financial system recorded January 1, 2020, through March 1, 2021, which totaled \$51 million in obligations.

We selected a statistical sample that included 108 transactions (79 contract actions and 29 purchase card records), with obligations totaling approximately \$12.8 million, as shown in Figure 2.¹⁴ We traced the transactions in our sample to supporting documentation such as invoices and contract modifications and found that each item was procured for pandemic-related expenses and was adequately supported.

Figure 2: NASA CARES Act Spending, Tested Transactions



Source: NASA Office of Inspector General.

As noted above, NASA spent approximately a third of the \$60 million on upgrades to IT systems to facilitate full-time telework. We reviewed 24 IT-related transactions at a cost of approximately

¹⁴ Similar in nature to a commercial credit card, a purchase card is issued to authorized agency personnel to acquire and pay for supplies and services. According to NASA procurement policy, Agency purchase cards shall be used for micro-purchase threshold transactions, and for other eligible purchases, to the maximum extent practicable (NFS 1813.301). According to OMB M-20-18, the micro-purchase threshold is raised from \$10,000 to \$20,000 for domestic purchases and to \$30,000 for purchases outside the U.S.

\$1.3 million. These transactions included expanding remote Microsoft and WebEx services, procuring wireless network hardware to support virtual meetings and streaming, and providing collaborative whiteboard space for virtual meetings. We also reviewed 47 transactions for PPE, cleaning, and restart costs totaling approximately \$2.5 million. For example, the Agency obligated approximately \$246,000 to procure hands-free door pulls and fixtures for bathrooms at Goddard Space Flight Center. In another example, Stennis Space Center obligated approximately \$85,000 to procure cleaning and disinfection services that met CDC standards in rooms where individuals with confirmed or suspected COVID-19 may have visited. We also reviewed transactions such as the \$17,157 NASA paid using CARES Act funds for multiple trips for three flight surgeons to travel to Russia. This travel cost included three trips in the March 2020 timeframe in support of crew launches and landings. For these trips, pandemic-related travel restrictions and cancellations required the contractor to incur additional costs associated with flights on nontraditional airlines and hotel stays when direct flights were not available.

CARES Act Section 3610 Authority

Of the 108 transactions in our sample, 27 were executed under Section 3610 authority. For these transactions, NASA developed advanced agreements, a vehicle contracting officers and contractors use for special or unusual costs, specifically designed for the unique circumstances presented by the pandemic. Advance agreements are negotiated before a cost is incurred, include a statement of its applicability and duration, must be in writing and executed by both contracting parties, and are incorporated into applicable contracts. NASA's advanced agreements gave its contracting officers and NASA contractors a predetermined path for how to handle pandemic-related cost incurrence and work interruptions. For example, the advanced agreement outlines what conditions exist and what percentage of contractor employees who cannot work due to pandemic-related Center closures are placed in a paid leave status.

We found the Agency's advanced agreement template, which serves as the authority for provisional billing of contractor requests for equitable adjustments, provided appropriate controls over expenditures and invoicing in accordance with the CARES Act and Agency guidelines. We reviewed the advanced agreements and supporting documentation for the 27 Section 3610 transactions in our sample and found that all were pandemic-related and the advanced agreements adequately described the conditions such as facility closures and listed the contractor employees and the job functions that could not be performed remotely. We also noted that, when necessary, NASA contracting officers appropriately involved legal counsel during formulation and negotiation of the advanced agreements. Advanced agreements are the basis for contract modifications, and contractors can submit requests for equitable adjustment once the COVID-19 pandemic has subsided. However, because the pandemic continues to produce contractor impacts and the process of requests for equitable adjustments is ongoing, these costs will likely be significant, depending on the nature of work performed.

NASA is planning to pay for subsequent adjustments using non-CARES Act appropriated funds, and we anticipate additional significant costs to NASA in the future. Agency officials have reported as much as \$89 million in potential pandemic impact costs as of June 2021, and they expect that amount will increase as additional invoices and requests for adjustments are received. NASA officials said they intend to follow their established contracting practices for future pandemic-related adjustments, with contracting officers responsible for ensuring invoices and claims are in line with the contracts, advanced agreements, and NASA policies. Given the significant costs and efforts that will likely be associated with these adjustments, we plan to continue our oversight work in this area.

CONCLUSION

The COVID-19 pandemic has created a health and economic crisis and affected all facets of the federal government. The CARES Act, the largest of several pandemic-related stimulus packages, provided NASA with \$60 million in funding to help ensure it continued safe operations and performance during the pandemic. In this review, we found the Agency appropriately managed the \$60 million of CARES Act funding in accordance with federal and Agency guidance. The Agency included the appropriate experts in decision-making throughout the pandemic. The 108 CARES Act transactions we tested were procured for pandemic related expenses and were supported with sufficient documentation. We also found that the internal controls associated with the Agency's advance agreements were adequate for compliance with CARES Act and Agency guidance. In our opinion, future OIG audit work will be warranted to assess potentially significant contractor pandemic impacts that will continue to be incurred.

We provided a draft of this memorandum to NASA management. The Agency did not provide a formal response, however technical comments provided by management have been incorporated as appropriate.

Major contributors include Tekla Colon, Mission Support Director; Julia Eggert, Project Manager; Cynthia Collado, L. Scott Collins, and R. Todd Rose. Cody Bryant provided statistical and data analysis and Matt Ward provided editorial and graphics support.

If you have questions or wish to comment on the quality or usefulness of this memorandum, contact Laurence Hawkins, Audit Operations and Quality Assurance Director, at 202-358-1543 or laurence.b.hawkins@nasa.gov.

Paul K. Martin
Inspector General

Enclosure—1

Enclosure I: Scope and Methodology

We performed this audit from February 2021 through July 2021 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our overall objective was to determine if NASA appropriately managed the \$60 million of CARES Act funding to meet congressional mandates as well as federal and NASA guidance. In order to accomplish our objective, we interviewed senior NASA officials from MSD, the Offices of the Chief Health and Medical Officer, Chief Financial Officer, Chief Information Officer, and General Counsel; the Office of Safety and Mission Assurance; and the Logistics Management Division at NASA Headquarters. These interviews helped us determine the process and strategies NASA employed to address the impacts of the pandemic on Agency operations. We did not assess pandemic-related costs outside of the \$60 million in CARES Act funding.

In order to determine whether NASA expended the \$60 million in CARES act funding appropriately, we obtained the universe of transactions from the Agency's financial system (SAP) and generated a statistical sample for testing. We took a statistical sample so that inferences could be made about a population of CARES Act obligations without verifying every single transaction. The universe included \$51 million of CARES Act transactions recorded January 1, 2020, through March 1, 2021. This population included SAP transactions recording an obligation within the SSMS-CARES ACT SSMX22020V fund. We sampled obligations instead of disbursements to cover a greater proportion of the appropriation (approximately \$51 million of the \$60 million was obligated as of March 1, 2021). The value of obligations in our sample totaled \$12.8 million. Our sample size included 108 transactions (79 contract actions and 29 purchase card records). Of the 79 contract actions, 27 were expended using Section 3610 authority.

Our expected error rate was 0.10 (i.e., 10 percent). This error rate was based on a March 2020 Government Accountability Office report on federal agencies' fiscal year 2019 improper payment estimates, which reported a government-wide payment error rate of 5.1 percent.¹⁵ We used a larger population proportion (effectively resulting in a larger sample) for the review of the financial transactions. The sample size was selected based on 5 percent margin of error and 95 percent confidence level with a population proportion of 0.1.

Finally, we reviewed applicable federal laws and regulations, as well as NASA policy and guidance, related to expending CARES Act emergency supplemental funding, which included, but was not limited to, the following:

¹⁵ Government Accountability Office, *Payment Integrity: Federal Agencies' Estimates of FY 2019 Improper Payments* (GAO-20-344, March 2, 2020).

Federal Laws, Policy, Standards, and Guidance

Paycheck Protection Program Flexibility Act of 2020, Pub. L. No. 116-142 (June 5, 2020)

Paycheck Protection Program and Health Care Enhancement Act, Pub. L. No. 116-139 (April 24, 2020)

Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116-136 (March 27, 2020)

Families First Coronavirus Response Act, Pub. L. No. 116-127 (March 18, 2020)

Coronavirus Preparedness and Response Supplemental Appropriations Act, 2020, Pub. L. No. 116-123 (March 6, 2020)

2 Code of Federal Regulations (CFR), Chapter II, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (January 2014)

Federal Acquisition Regulation (FAR) Part 18, *Emergency Acquisitions* (Fiscal Year 2019)

FAR Part 31, *Contract Cost Principles and Procedures* (Fiscal Year 2019)

FAR Part 52, *Solicitation Provisions and Contract Clauses* (Fiscal Year 2019)

OMB Memorandum M-21-03, *Improvements in Federal Spending Transparency for Financial Assistance* (November 12, 2020)

OMB Memorandum M-20-27, *Additional Guidance on Federal Contracting Resiliency in the Fight Against the Coronavirus Disease (COVID-19)* (July 14, 2020)

OMB Memorandum M-20-26, *Extension of Administrative Relief for Recipients and Applicants of Federal Financial Assistance Directly Impacted by the Novel Coronavirus (COVID-19) due to Loss of Operations* (June 18, 2020)

OMB Memorandum M-20-22, *Preserving the Resilience of the Federal Contracting Base in the Fight Against the Coronavirus Disease 2019 (COVID-19)* (April 17, 2020)

OMB Memorandum M-20-21, *Implementation Guidance for Supplemental Funding Provided in Response to the Coronavirus Disease 2019 (COVID-19)* (April 10, 2020)

OMB Memorandum M-20-20, *Repurposing Existing Federal Financial Assistance Programs and Awards to Support the Emergency Response to the Novel Coronavirus* (April 9, 2020)

OMB Memorandum M-20-18, *Managing Federal Contract Performance Issues Associated with the Novel Coronavirus (COVID-19)* (March 20, 2020)

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* (March 19, 2020)

OMB Memorandum M-20-11, *Administrative Relief for Recipients and Applicants of Federal Financial Assistance Directly Impacted by the Novel Coronavirus (COVID-19)* (March 9, 2020)

OMB Memorandum M-18-08, *Guidance on Disaster and Emergency Funding Tracking* (February 2, 2018)

NASA Policy, Requirements, and Guidance

NASA Federal Acquisition Regulation Supplement, 1852.242-72, *Denied Access to NASA Facilities* (October 2015)

NASA Procurement Information Circular (PIC) 20-02A, *Novel Coronavirus Disease (COVID-19) Contractor Guidance* (initial date: May 4, 2020; updated: June 4, 2020)

Special Invoicing Instructions for NASA Contractors regarding COVID-19 Billing (April 2, 2020)

NASA Vendor Payments in Relation to COVID-19 (April 1, 2020)

Frequently Asked Questions regarding COVID-19 Impacts and the Advanced Agreement for NASA Contractors (April 7, 2021)

Office of Procurement White Paper on Coronavirus Response for Preservation of Space Industrial Base and/or Mission Operational Readiness (April 6, 2020)

NASA Implementation of OMB Memorandum M-20-17 and M-20-20

NASA Implementation of OMB Memorandum M-20-26 (June 23, 2020)

Assessment of Data Reliability

We assessed the reliability of NASA's CARES Act financial data by performing electronic testing, including comparisons against alternative data sources, reviewing existing information about the data and the system that produced them, and interviewing agency officials knowledgeable about the data. In addition, we traced a statistically random sample of obligations to source documentation. When an unusual amount of negative values was found in the source data, we discussed with the NASA Office of the Chief Financial Officer and the NASA Agency Applications Office to gain an understanding and ensure it was appropriately accounted for in the sampling process. The negative values resulted from cost accrual reversals, corrections to properly classify data, reversals for return of items, or reversals for incomplete delivery. Furthermore, the data provided by the Agency was validated against the SAP Business Objects financial reports with the same action dates as the audit timeframe; no major discrepancies were found. We determined that the data was sufficiently reliable for purposes of our audit.

Review of Internal Controls

We assessed internal controls necessary to satisfy the audit objectives. Specifically, we assessed internal controls and compliance with laws and regulations to determine the effectiveness of NASA's management of CARES Act funding. We found no control weaknesses relating to adherence to OMB or NASA guidance. Further, we found no internal control weaknesses in analyzing our statistical sample of 108 CARES Act funding transactions. Regarding our 27 Section 3610 transactions, we reviewed the

Agency's advanced agreement template and found controls were implemented in compliance with CARES Act Section 3610 and Agency guidance.

Prior Coverage

The NASA Office of Inspector General and the Government Accountability Office have issued five reports and testimony relevant to the subject of this report. Reports can be accessed at <https://oig.nasa.gov> and <https://www.gao.gov>.

NASA Office of Inspector General

COVID-19 Impacts on NASA's Major Programs and Projects (IG-21-016, March 31, 2021)

Congressional Testimony of Paul Martin, NASA Inspector General. *Cybersecurity at NASA: Ongoing Challenges and Emerging Issues for Increased Telework during COVID-19* (IG-CT-2020-1, September 18, 2020)

Letter to Congress, *Status of NASA's Return to Work Plans* (August 3, 2020)

Government Accountability Office

COVID-19 Contracting: Observations on Contractor Paid Leave Reimbursement Guidance and Use (GAO-20-662, September 3, 2020)

COVID-19 Contracting: Contractor Paid Leave Reimbursements Could Provide Lessons Learned for Future Emergency Responses (GAO-21-475, July 28, 2021)