



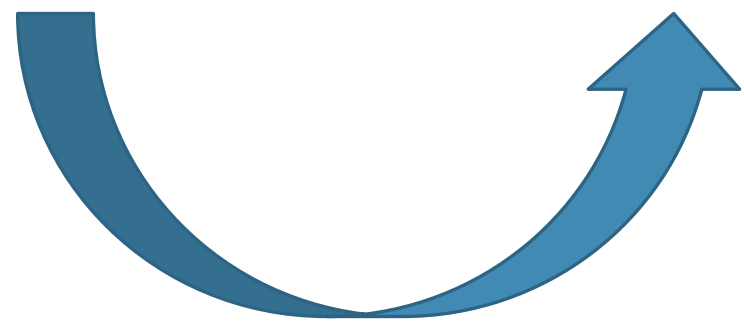
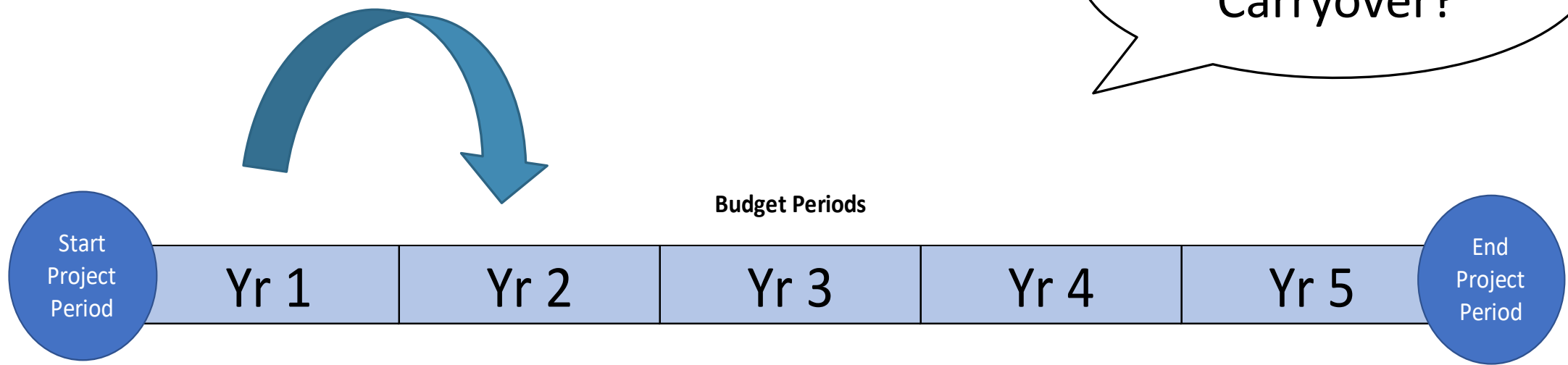
Office of Contracts & Grants Administration

RAF December 9, 2021

Managing Carryforward (& other budget restrictions)

Tracey Fraser

What is Carryover?



Unobligated Funds

- Funds that have not been committed

May be available for Carryover

Unliquidated Obligations

- Funds that have been committed but not yet paid out

Not available for Carryover

Types of Carryover

- Automatic
 - Do not need to request sponsor prior approval to spend
- Restricted
 - Must obtain sponsor prior approval to have the restriction lifted

Restricted Carryover



While many Federal Sponsors have waived the requirement for prior approval to carry forward unobligated balances to subsequent budget periods there are some important exceptions, including *(usually)* the following NIH mechanisms:

Centers P50, P60,
P30

Cooperative
agreements (U)

Kirschstein-NRSA
institutional
research training
grants (T)

Non-Fast Track
Phase 1 SBIR and
STTR awards (R43
and R41)

Clinical trials
(regardless of
activity code)

Awards to
individuals

Non-Federal

Agreements from some charitable organizations and foundations may *sometimes* include a restriction on automatically carrying over unobligated balances to the next budget period. Examples include:

Adelson Foundation

AHA

Simons Foundation

Melanoma Research Alliance

The Larry L. Hillblom Foundation

The Cystic Fibrosis Foundation



- Mechanism's or sponsors that usually include automatic carryforward may include a specific term or condition restricting it
- Additionally, mechanisms that usually restrict carryforward may occasionally allow for automatic carryforward

How do I know if my award is subject to a carryforward restriction?



- Award Snapshot
- Notice of Award (NOA)
- Snapshots and NOAs should be carefully reviewed with each new award transaction



University of California, Los Angeles
Award Snapshot

NIH Example

Section I: Award Summary

Principal Investigator:	[REDACTED]	Fund Number:	[REDACTED]
Sponsor:	NIH-NIAID National Institute of Allergy and Infectious Diseases [000064]	Sponsor Award Number:	[REDACTED]
Administering Unit:	EPIDEMIOLGY [1935]	Prime Sponsor:	N/A
Project Title:	[REDACTED]		
Current Budget Period:	3/9/2021 - 2/28/2022	Current Action:	New
Project Period:	3/9/2021 - 2/28/2026	Funds Awarded this Action:	\$1,425,982
		Total Funds Awarded to Date:	\$1,425,982

- See Section VIII for Other Investigators
- For a History of Actions on this award, refer to the Award Snapshot Attachment

Section II: Special Attention Needed

1. This award is subject to a sponsor salary cap limitation. Salary Cap Type: Health and Human Services
2. Carry-Forward Restricted
3. Review the Award Snapshot Attachment and the Award document for additional terms and conditions.

University of California, Los Angeles
Award Snapshot Attachment

UCLA PATS NUMBER: [REDACTED]

Alert(s)

1. Please review and adhere to the award terms and conditions.
2. Research and Development (R&D): All awards issued by the National Institutes of Health (NIH) meet the definition of "Research and Development" at 45 CFR Part§ 75.2. As such, auditees should identify NIH awards as part of the R&D cluster on the Schedule of Expenditures of Federal Awards (SEFA).
3. Carryforward is restricted and requires prior grants management approval.

Reference Document(s)

1. Award(s) available via the ORA Award Status & Snapshot Report [<http://portal.research.ucla.edu/index.aspx?Section=PostAward>]
2. NIH Grants Policy Statement December 2019 [<https://grants.nih.gov/policy/nihgps/index.htm>] Effective for all NIH grants and cooperative agreements with budget periods beginning on or after December 1, 2019.
3. Federal-Wide Research Terms and Conditions November 2020 <https://www.nsf.gov/awards/managing/rtc.jsp>
 - a. RTC Prior Approval and Other Requirements Matrix November 2020
 - b. RTC NIH Agency-Specific Requirements November 2020



Department of Health and Human Services
National Institutes of Health
NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES

Notice of Award

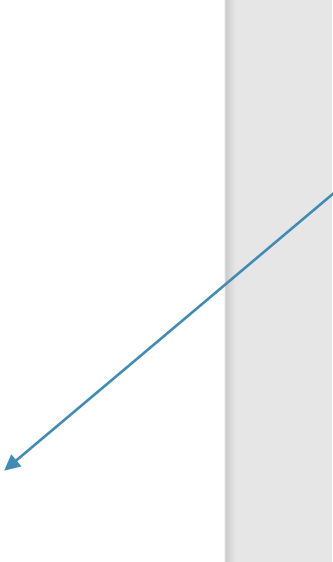
Federal Award Date
03/09/2021

Research and Development (R&D): All awards issued by the National Institutes of Health (NIH) meet the definition of "Research and Development" at 45 CFR Part§ 75.2. As such, auditees should identify NIH awards as part of the R&D cluster on the Schedule of Expenditures of Federal Awards (SEFA). The auditor should test NIH awards for compliance as instructed in Part V, Clusters of Programs. NIH recognizes that some awards may have another classification for purposes of indirect costs. The auditor is not required to report the disconnect (i.e., the award is classified as R&D for Federal Audit Requirement purposes but non-research for indirect cost rate purposes), unless the auditee is charging indirect costs at a rate other than the rate(s) specified in the award document(s).

This institution is a signatory to the Federal Demonstration Partnership (FDP) Phase VII Agreement which requires active institutional participation in new or ongoing FDP demonstrations and pilots.

Carry over of an unobligated balance into the next budget period requires Grants Management Officer prior approval.

SECTION III
STANDARD
TERMS AND
CONDITIONS





University of California, Los Angeles Award Snapshot

American Heart Association Example

Section I: Award Summary

Principal Investigator:	[REDACTED]	Fund Number:	[REDACTED]
Sponsor:	AMERICAN HEART ASSOCIATION - NATIONAL [005065]	Sponsor Award Number:	[REDACTED]
Administering Unit:	INTEGRATIVE BIOLOGY & PHYSIOLOGY [0845]	Prime Sponsor:	N/A
Project Title:	[REDACTED]	Current Action:	Continuation
Current Budget Period:	8/1/2021 - 7/31/2022	Funds Awarded this Action:	\$77,000
Project Period:	7/1/2020 - 7/31/2022	Total Funds Awarded to Date:	\$158,740

- See Section VII for Other Investigators
- For a History of Actions on this award, refer to the Award Snapshot Attachment

Section II: Special Attention Needed

1. Changes in the status of the Principal Investigator or other key personnel on the award require [prior approval](#) from the Sponsor. Requests for prior approval must be processed through OCGA. Notify OCGA in advance or as soon as you become aware of any changes (or anything requiring prior approval).
2. Carry-Forward Restricted
3. Review the Award Snapshot Attachment and the Award document for additional terms and conditions.

University of California, Los Angeles Award Snapshot Attachment

UCLA PATS NUMBER: [REDACTED]

Alert(s)

1. Please review and adhere to award terms and conditions.
2. If there is an unexpended balance of funds greater than \$10,000 AHA prior approval is required to carryover the funds into the next project period. The PI must submit a written request.
3. In the final award year, if the unexpended balance is between \$500 and \$10,000, the PI can request an up to 12 month NCE to use a portion or all unexpended funds without prior approval.
 - a. If the remaining balance is greater than \$10,000 the PI must obtain prior approval to carryover the balance into an extension year.
4. A second NCE is not allowed.

L. CARRYFORWARD OF UNEXPENDED FUNDS

For grant programs, funds remaining at the end of each award year may be carried over per the following guidelines.

1. **Interim Award Year** — If there is an unexpended balance of funds of \$10,000 or less at the end of an Award year and if the Award is approved for additional year(s), these funds may be carried forward to the next award year without advance approval. This action can be implemented by selecting the appropriate option on the Financial Report form.

If the unexpended balance is greater than \$10,000, AHA approval is required. The Principal Investigator must submit a written request or a Carryover Change Request in Grants@Heart. The AHA will review the request and a notice of disposition will be sent to the Principal Investigator.

2. **Final Award Year** — If unexpended funds at the end of the final award period are less than \$10, the institution may retain/write off the amount. Amounts between \$10 and \$500 should be returned to the AHA with the Financial Report.

If the unexpended balance is between \$500 and \$10,000, the Investigators may request up to a twelve-month extension to use a portion or all unexpended funds without prior AHA approval. This action can be completed by selecting the appropriate option on the Financial Report form.

If the remaining balance is greater than \$10,000, the Principal Investigator must obtain prior approval from

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AHA to carryover the balance into an extension year. The Principal Investigator must submit a written request or enter a No-cost Extension Change Request in Grants@Heart. This can be done at the end of the final award year or at the time the final Financial Report is submitted (90 days after the Award year end date). The AHA will review the request and a notice of disposition of the request will be sent to the Principal Investigator.

A SECOND EXTENSION YEAR IS NOT ALLOWED. Funds remaining at the end of an authorized extension year must be returned to the AHA. The funds may only be used to support the approved AHA project.

American Heart Association Example: AHA Award Guide

Why is restricted carryforward being highlighted if it doesn't apply to most agreements?

Awards with restricted carryforward require robust project management and forecasting to anticipate, plan for, and prepare carry forward requests



Prior Approval Request

Department
submits a Prior
Approval request
to OCGA

OCGA submits the
request to the
sponsor

OCGA emails the
Department and
EFM with the
sponsors response

Information required to submit a Prior Approval Request

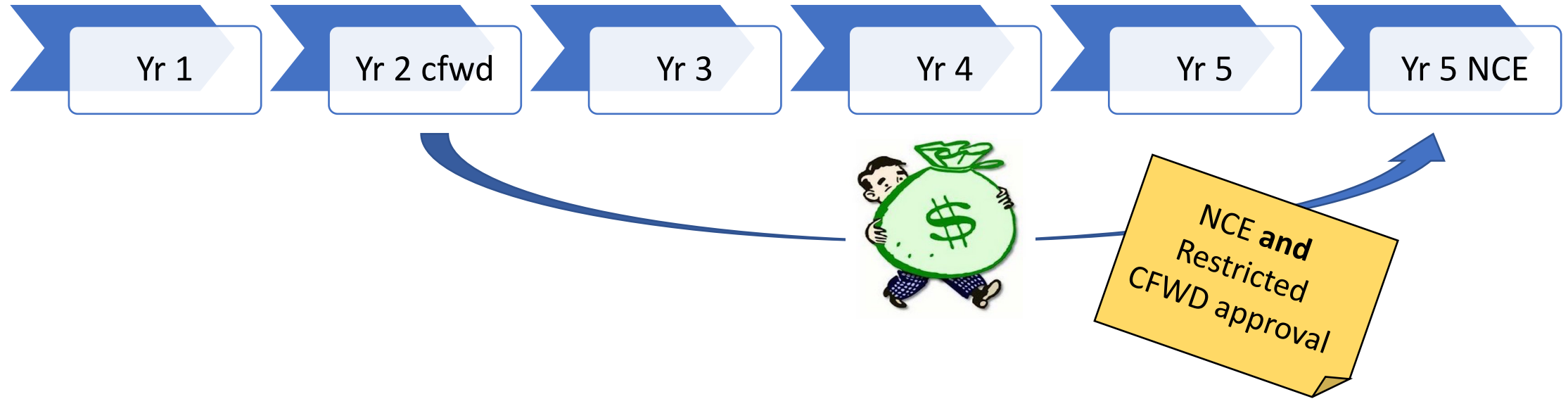
- The budget periods from which the unobligated funds are being carried over from and to
- The amount of the funds to be carried over
- An explanation of why the funds were not obligated
- Scientific justification for the use of funds



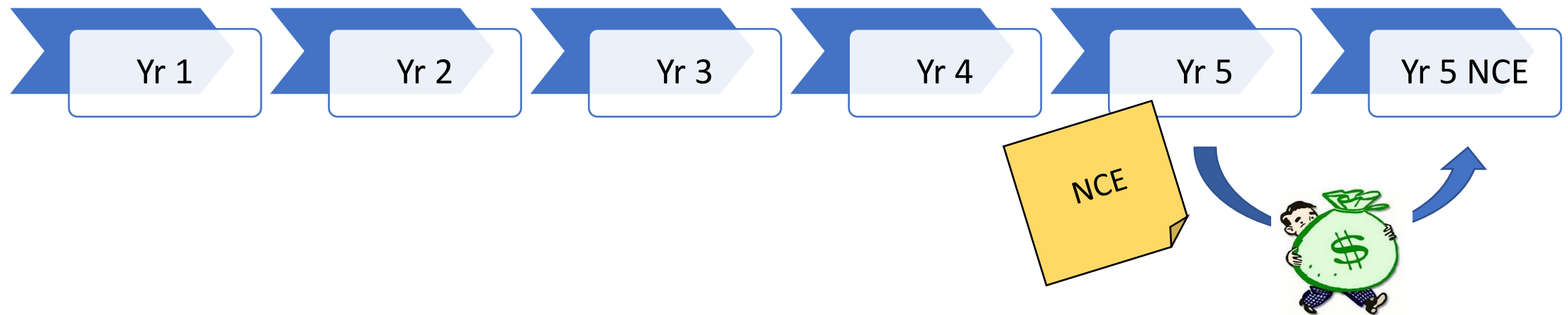
**REMINDER:
NIH No Cost
Extensions &
Restricted
Carryover**

- When asking for a NCE on a NIH award with carry forward restrictions you will **ALSO** need sponsor prior approval to carry forward any unspent funds from a **previous** budget period to be able to utilize them in the NCE period

Example 1: Using restricted balance in a NIH NCE



Example 2: Using Final Year CFWD in a NIH NCE





Awards With Automatic Carryover

A Few Cautions

Caution



REVOKED

Sponsors have been known to revoke automatic carry forward and impose carry forward restrictions on awards with delinquent progress reports or other requirements such as IRB/ARC approvals.

Caution



- GMO may use unobligated balances of >25% to **Offset** funding for a subsequent budget period thereby reducing the overall awarded amount

Restrictions Require Active Action



Lifting of restrictions requires submission of a request to the Sponsor. If a request to lift is not made to the Sponsor it remains in place regardless of the status of compliance with the restricted term.