GRANT ADMINISTRATION:
How Do I Request A Carry Forward?

Introduction

A carry forward is a process whereby unexpended funds allocated for a subcontract, grant, or award are “rolled over” (carried forward) into the next budget period. A carry forward can only take place when:

- There is an unexpended balance at the end of the budget period or
- There is a need to continue the project whose current project period has expired or is about to expire with an available unexpended balance. A no-cost extension is required because the current period is the final period of the project (i.e., the End of Project Period [“EoPP”] is about to occur).

These grants fall into one of three choices:

(1) If the Notice of Award or Agreement ("NoA") provides “expanded authorities”\(^1\) at the time of the award, then unexpended funds can be carried forward without the National Institutes of Health ("NIH") grants management approval. In effect, the Principal Investigator ("PI") was given carry over election authority at the time of the award. The Department Administrator ("Administrator") does not need to take any action (unless the project period is about to end).

A Financial Status Report ("FSR") is prepared by Grant Accounting that will document the unexpended balance to be carried forward.

If the project period is scheduled to end during the current budget period (i.e., EoPP), the PI/Administrator is required to notify the grantor (by email or letter) that they have elected to extend the project at no additional cost (i.e., a No-Cost Extension). (For more information about no-cost extensions, see Procedure 5.10, “How do I Obtain a No-Cost Extension?”) [[hyperlink]]

(2) If the NoA does not provide “expanded authorities” or, more specifically, it does not allow funds to be carried over into another budget period or if the grant has already expired, then approval from the grantor is required.

Administrators prepare a “request” to carry forward unexpended funds, which includes a request to extend the grant’s end date and await the grantor’s approval before any further action is taken. After the PI/Administrator receives approval via email from the grantor agency, it is forwarded to Grant Accounting, who applies the carry forward amount to the fund and extends the end date, as requested.

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\(^1\) NIH has waived cost-related and other prior-approval requirements for many activities and expenditures, and provided authority for these activities and expenditures to the grantee. These operating authorities are termed “expanded authorities.” When using expanded authorities, grantees must ensure that they exercise proper stewardship over Federal funds and that costs charged to awards are allowable, allocable, reasonable, necessary, and consistently applied, regardless of the source of funds. NIH may disallow the costs if it determines, through audit or otherwise, that the costs do not meet the tests of allowability, allocability, reasonableness, necessity, and consistency. [Source: NIH Grants Policy Statement, 12/03]
If the project is at EoPP, the Administrator initiates a no-cost extension in the form of a “notification” (if under expanded authorities) or a “request” (if such extension authority is not provided as part of expanded authorities).

(3) If the remaining unexpended balance is not required to complete the project, Administrators are not required to take any action; however, it is appropriate to notify Grant Accounting that there are funds remaining in the account. Grant Accounting prepares a FSR and the unexpended balance is returned to the grantor.

Procedure

If the PI has expanded authority:

- Grant Accounting automatically processes the carry forward into the next budget period.

If the PI does not have expanded authority:

- The PI/Administrator emails a formal request to the grantor agency requesting the carry forward. When the PI/Administrator receives approval to carry forward the unexpended funds, Grant Accounting is notified and supporting documentation (e.g., printed emails) are added to the grant folder for future reference.