How to Manage Awards with Carry Forward Restrictions

OSR Seminar Series

Tony Duong & Megan Dietrich
Office of Sponsored Research
What does it mean when carry forward is allowed i.e. there is NO restriction?

When an awardee may, without sponsor prior approval, carry forward unspent funds from an ending budget period to a new budget period. Funds from multiple budget periods MAY be comingled.
What is a carry forward restriction?

When an awardee must obtain sponsor prior approval to carry forward unspent funds from an ending budget period to a new budget period. Funds from multiple budget periods MAY NOT be comingled.
What is a carry forward restriction?

When an awardee must obtain sponsor prior approval to carry forward unspent funds from an ending budget period to a new budget period. Funds from multiple budget periods MAY NOT be comingled.
Does my award have carry forward restrictions?

➢ Refer to the Stanford AAN/Notice of Award
Does my award have carry forward restrictions?

Refer to the Sponsor Notice of Award

SECTION III – TERMS AND CONDITIONS – 1R01

This award is based on the application submitted to, and as approved by, NIH on the above-titled project and is subject to the terms and conditions incorporated either directly or by reference in the following:

a. The grant program legislation and program regulation cited in this Notice of Award.
b. Conditions on activities and expenditure of funds in other statutory requirements, such as those included in appropriations acts.
c. 45 CFR Part 74 or 45 CFR Part 92 as applicable.
d. The NIH Grants Policy Statement, including addenda in effect as of the beginning date of the budget period.
e. This award notice, INCLUDING THE TERMS AND CONDITIONS CITED BELOW.

(See NIH Home Page at ‘http://grants.nih.gov/grants/policy/awardconditions.htm’ for certain references cited above.)

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

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An unobligated balance may be carried over into the next budget period without Grants Management Officer prior approval.
Does my award have carry forward restrictions?

- Refer to the Stanford AAN/Notice of Award

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**Terms and Conditions**

This Notice of Award provides a summary of basic information. Please read the award document for complete requirements.

**General**
- Uniform Guidance: Yes
- Integral Administrative Salary: No
- Cost Sharing: No

**Requirements**
- Limitation of funds [52.232.22]: No
- Limitation of cost [52.232-20]: No
- Small Business Subcontracting Plan Required: No

**Budget Management & Invoicing Requirements**
- Award issued in foreign currency: No
- Payment Type: Cost Reimbursement
  - Invoice Type: Letter of Credit or Electronic Fund Transfer
  - Invoice Format: Letter of Credit or Electronic Fund Transfer
  - Final Invoice Due Date: Not Required
- Carry Forward to Next Budget Period: Allowed only with prior approval
- Final Payment contingent upon reports: No
- Final Invoice required each budget: No

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Stanford University
Does my award have carry forward restrictions?

- Refer to the Sponsor Notice of Award

SECTION III – TERMS AND CONDITIONS – REVISED

This award is based on the application submitted to, and as approved by, NIH on the above-titled project and is subject to the terms and conditions incorporated either directly or by reference in the following:

a. The grant program legislation and program regulation cited in this Notice of Award.
b. Conditions on activities and expenditure of funds in other statutory requirements, such as Page-3

c. 45 CFR Part 75.
d. National Policy Requirements and all other requirements described in the NIH Grants Policy Statement, including addenda in effect as of the beginning date of the budget period.
e. Federal Award Performance Goals: As required by the periodic report in the RPPR or in the final progress report when applicable.
f. This award notice, INCLUDING THE TERMS AND CONDITIONS CITED BELOW.

(See NIH Home Page at http://grants.nih.gov/grants/policy/awardconditions.htm for certain references cited above.)

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 VI 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.
Does my award have carry forward restrictions?

➢ Refer to the Stanford AAN/Notice of Award

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**Terms and Conditions**

This Notice of Award provides a summary of basic information. Please read the award document for complete requirements.

**General**
- Cost Sharing: Yes
  - Type: Voluntary Committed, Cash
  - Amount: $17,008.00

**Budget Management & Invoicing Requirements**
- Award issued in foreign currency: No
- Payment Type: Cost Reimbursement
  - Invoice Type: Payment Schedule
  - Invoice Format: Not Applicable
  - Final Invoice Due Date: Not Required
- Carry Forward to Next Budget Period: Not Allowed
- Final Payment contingent upon reports: Yes
- Final Invoice required each budget period: No
- Pre-Award Spending: Not Allowed
- Rebudgeting allowed: Requires prior sponsor approval
- Deposit in Interest Bearing Account & Report Interest: No
- Program Income: No

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Does my award have carry forward restrictions?

- Refer to the Sponsor Notice of Award

**Conditions of Grant – Early Career Award Program**

**Administration**
Grant monies awarded by the Thrasher Research Fund (the Fund) are to be used only for the purposes described in the Grant application. The study must begin within six months of the Award Notification date or the award may be withdrawn.

**Use of Grant Funds**
Grant monies are to be used only during the period indicated in the Award Letter. Any deviation from this schedule must have prior approval from the Fund. A request for extension may be considered but will require prior approval by the Fund before the scheduled end date. All unexpended monies must be returned to the Fund within 90 days following conclusion of the Grant.
Does my award have carry forward restrictions?

 For Participating Federal Agencies (NSF, DoE, NIH, USDA NIFA, DoC, & NASA) refer to Research Terms and Conditions Appendix A Prior Approval Matrix
# Research Terms and Conditions Appendix A
## Prior Approval Matrix
**October 1, 2017**

<table>
<thead>
<tr>
<th>Reference</th>
<th>RTC Overlay</th>
<th>NSF</th>
<th>DOE</th>
<th>NIH</th>
<th>USDA NIFA</th>
<th>DOC</th>
<th>NASA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Prior Written Approval (prior approval)</strong></td>
<td>200.407</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Use of non-Federal funds (including base amount awards), cooperative agreements, and contracts</td>
<td>200.407(d)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Changes in principal investigator (PI), project leader, project partner, or scope of effort</td>
<td>200.201(b)(3)</td>
<td>Required</td>
<td>Required</td>
<td>Required</td>
<td>Required</td>
<td>Waived</td>
<td>Required</td>
</tr>
<tr>
<td>Cost sharing or matching</td>
<td>200.407(b)</td>
<td>Waived</td>
<td>Waived</td>
<td>Waived</td>
<td>Waived</td>
<td>Waived</td>
<td>Waived</td>
</tr>
<tr>
<td>Use of unrecovered indirect costs, including indirect costs on cost sharing or matching</td>
<td>200.306(c)</td>
<td>Waived</td>
<td>Waived</td>
<td>Waived</td>
<td>Waived</td>
<td>Waived</td>
<td>Waived</td>
</tr>
<tr>
<td>Use of current fair market value to determine the value of non-Federal entity donations of services and property for the purposes of cost sharing or matching</td>
<td>200.306(d)(2)</td>
<td>Waived</td>
<td>Waived</td>
<td>Waived</td>
<td>Waived</td>
<td>Waived</td>
<td>Waived</td>
</tr>
<tr>
<td>Costs of the fair market value of equipment or other capital assets and fair rental charges for land when the Federal award supports activities that require use of equipment, buildings or land.</td>
<td>200.306(h)(2)</td>
<td>Required</td>
<td>Required</td>
<td>Required</td>
<td>Required</td>
<td>Required</td>
<td>Required</td>
</tr>
</tbody>
</table>

**Program Income**

<table>
<thead>
<tr>
<th>Reference</th>
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<th>NIH</th>
<th>USDA NIFA</th>
<th>DOC</th>
<th>NASA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use of program income during the period of performance (additive method)</td>
<td>200.307(c)(2)</td>
<td>Waived</td>
<td>Waived</td>
<td>Waived</td>
<td>Waived</td>
<td>Waived</td>
<td>Waived</td>
</tr>
</tbody>
</table>

**Revision of budget and program plans**

<table>
<thead>
<tr>
<th>Reference</th>
<th>RTC Overlay</th>
<th>NSF</th>
<th>DOE</th>
<th>NIH</th>
<th>USDA NIFA</th>
<th>DOC</th>
<th>NASA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in the scope or the objective of the project or program</td>
<td>200.308(b)(1)(iv)</td>
<td>Required</td>
<td>Required</td>
<td>Required</td>
<td>Required</td>
<td>Required</td>
<td>Required</td>
</tr>
<tr>
<td>Change in P2P (P2P) specified in the application on the Federal award</td>
<td>200.308(c)(1)(d)</td>
<td>Waived</td>
<td>Waived</td>
<td>Waived</td>
<td>Waived</td>
<td>Waived</td>
<td>Waived</td>
</tr>
<tr>
<td>Disengagement from the project for more than three months, or a 25 percent reduction in time devoted to the project by the approved P2P</td>
<td>200.308(c)(1)(d)</td>
<td>Waived</td>
<td>Waived</td>
<td>Waived</td>
<td>Waived</td>
<td>Waived</td>
<td>Waived</td>
</tr>
<tr>
<td>Inclusion, unless waived, of costs that require prior approval in accordance with Subpart E – Cost Principles</td>
<td>200.308(c)(1)(iv)</td>
<td>Waived</td>
<td>Waived</td>
<td>Waived</td>
<td>Waived</td>
<td>Waived</td>
<td>Waived</td>
</tr>
<tr>
<td>Transfer of funds budgeted for participant support costs to other categories of expense</td>
<td>200.308(c)(1)(iv)</td>
<td>Waived</td>
<td>Waived</td>
<td>Waived</td>
<td>Waived</td>
<td>Waived</td>
<td>Waived</td>
</tr>
<tr>
<td>Subawarding, transferring, or contracting out any work under a Federal award. This provision does not apply to the acquisition of supplies, materials, equipment, or general purpose services</td>
<td>200.308(c)(1)(v)</td>
<td>Required</td>
<td>Required</td>
<td>Required</td>
<td>Required</td>
<td>Waived</td>
<td>Waived</td>
</tr>
<tr>
<td>Changes in the approved cost-sharing or matching provided by the non-Federal entity</td>
<td>200.308(b)(1)(iv)</td>
<td>Required</td>
<td>Required</td>
<td>Required</td>
<td>Required</td>
<td>Waived</td>
<td>Waived</td>
</tr>
<tr>
<td>Need for additional Federal funding to complete the project</td>
<td>200.308(c)(1)(iv)</td>
<td>Required</td>
<td>Required</td>
<td>Required</td>
<td>Required</td>
<td>Waived</td>
<td>Waived</td>
</tr>
<tr>
<td>Incurred project costs 90 calendar days before the Federal awarding agency makes the award</td>
<td>200.308(d)(1)</td>
<td>Waived</td>
<td>Waived</td>
<td>Waived</td>
<td>Waived</td>
<td>Waived</td>
<td>Waived</td>
</tr>
<tr>
<td>Incurred project costs more than 90 calendar days pre award</td>
<td>200.308(d)(1)</td>
<td>Required</td>
<td>Required</td>
<td>Required</td>
<td>Required</td>
<td>Required</td>
<td>Required</td>
</tr>
<tr>
<td>Initiate a one-time extension of the period of performance by up to 12 months.</td>
<td>200.308(d)(2)</td>
<td>Waived</td>
<td>Waived</td>
<td>Waived</td>
<td>Waived</td>
<td>Waived</td>
<td>Waived</td>
</tr>
<tr>
<td>Subsequent no-cost extension or extension of more than 12 months.</td>
<td>200.308(d)(2)</td>
<td>Required</td>
<td>Required</td>
<td>Required</td>
<td>Required</td>
<td>Required</td>
<td>Required</td>
</tr>
<tr>
<td>Carry-forward of unexpended balances to subsequent funding periods</td>
<td>200.308(d)(3)</td>
<td>Waived</td>
<td>Waived</td>
<td>Waived</td>
<td>Waived</td>
<td>Waived</td>
<td>Waived</td>
</tr>
</tbody>
</table>

*Any of the authorities may be over-ridden by a special term or condition of award.*

- Except where specified otherwise in this matrix, the terms and conditions of award, or the applicable program solicitation or award notice.
- This action requires the prior written approval of the cognizant NSF Program Officer.
- Rearrangement and reconversion costs under $25,000 may be approved by grantees.
- Unless funds are being moved into the “Other” category of participant support.
- Waived, funds added to the amount available for the project.
- Waived, required for the PI and any other individuals specifically named in the Notice of Award.
- Waived, but costs not specifically covered in Subpart F are subject to the NIH Grants Policy Statement (NIHGPS).
- Waived, unless change in scope. For the purposes of Kirschstein-National Research Service Award (NRSA) programs, this term does not apply. NIH will continue to use the terms trainees, trainee-related expenses, and trainee travel in accordance with NRSA Regulations. Participant support costs are only allowable when identified in specific Funding Opportunity Announcements (FOAs).
- Waived unless change in scope; and except when subrecipient is foreign.
- Waived except when Notice of Award indicates prior approval is required.
- Waived unless change in scope.
- Waived for alterations and renovations costing up to $500,000, unless change in scope or rebudgeting into A&R exceeds 25% of budget period total.
- See Rearrangement and Reconversion Costs within NIH Grants Policy Statement Chapter 7.9.1.
How do carry forward restrictions affect PTA setup?

<table>
<thead>
<tr>
<th>Questions</th>
<th>Details</th>
<th>Project</th>
<th>Task</th>
<th>Award</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carry forward to next budget period</td>
<td>If carry forward is not allowed</td>
<td>-</td>
<td>Task for each budget period</td>
<td>Award for each budget period</td>
</tr>
<tr>
<td>Carry forward to next budget period and Final Invoice required for each budget period</td>
<td>If carry forward is not allowed AND Final invoice required for each budget period</td>
<td>-</td>
<td>Task for each budget period</td>
<td>Award for each budget period</td>
</tr>
<tr>
<td>Carry forward to next budget period</td>
<td>If carry forward is allowed, and requires each budget period expenses to be accounted for separately</td>
<td>-</td>
<td>Task for each budget period</td>
<td>-</td>
</tr>
<tr>
<td>Carry forward to next budget period, but each budget period invoiced separately</td>
<td>If carry forward is allowed, but requires each budget period to be invoiced separately</td>
<td>-</td>
<td>Task for each budget period</td>
<td>Award for each budget period</td>
</tr>
</tbody>
</table>

Updated 18-MAY-2017

Available at: https://doresearch.stanford.edu/SeRAGuides
Direct Link: https://doresearch.stanford.edu/node/3086739/attachment/newest
How do carry forward restrictions affect PTA setup?

Separate Tasks vs. Separate Awards

- Tasks helps separate expenditures such as…
  - Each activity (on/off campus)
  - Fabrications
  - Cost sharing
  - Participant support costs
  - Program Income
  - Each faculty’s/lab’s expenses
  - Each subaward
  - Each budget period

- Awards help separate invoicing/payments.
How do carry forward restrictions affect PTA setup?

- If carry forward is **not allowed** then the project will need a new task for each budget period.

  - New **task** for each budget period, same award.
  - Any unused funds from an ending budget period will be foregone i.e. use or lose.
How do carry forward restrictions affect PTA setup?

- If carry forward is not allowed AND a Final invoice is required for each budget period
  - New task & award for each budget period.
  - Any unused funds from an ending budget period will be foregone i.e. use or lose.
How do carry forward restrictions affect PTA setup?

- If carry forward is allowed, and requires each budget period expenses to be accounted for separately

- New **task** for each budget period.
How do carry forward restrictions affect PTA setup?

- If carry forward is allowed, but requires each budget period to be invoiced separately
  
  - New task & award for each budget period.

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How do carry forward restrictions affect you?

- Require robust project management and forecasting to anticipate, plan for, and prepare carry forward requests, and manage PTA changes.

- Planning for carry forward requests
  - Monitor and as accurately as possible project spending on projects

- Preparing carry forward requests
  - Explain BOTH why there is a carry forward balance and how it will be used in the next budget period to advance the project SOW.

- PTA changes: A new task and/or award each year will mean...
  - Updating labor schedule and GFS entries
  - Advising personnel who enter requisitions of the new task and/or award each year
  - Revisions to existing POs, especially blanket POs
  - Updating PTAs on file with service centers of the new task and/or award each year
When should I seek sponsor prior approval for carry forward?

- Typically in conjunction with the submission of the ending budget period’s progress report, but always check your award terms and conditions to be sure.
The fiscal year of carry forward funds

- Carry forward funds are subject to the sponsor terms and conditions of the fiscal year in which they were originally awarded. For NIH awards, this can affect what salary cap level can be charged and may result in carry forward funds being subject to a different salary cap than the funds being awarded for the new budget period.
No Cost Extensions ≠ Carry Forward

- When asking for a no cost extension on an award with carry forward restrictions you will **ALSO** need sponsor prior approval to carry forward any unspent funds to be able to utilize them in the NCE period.
Carry forward restrictions cautions

- Sponsors have been known to revoke automatic carry forward and impose carry forward restrictions on awards with delinquent progress reports.

- Help your faculty help you by reminding them of upcoming report due dates.
Carry forward restrictions cautions

- If a unit spends unexpended funds from an ended budget period in a new budget period but never obtained sponsor prior approval for carry forward:
  
  - Best case scenario: Laborious closeout for unit and OSR
  - Worst case scenario: All expenses incurred on non-sponsor approved carry forward funds become unallowable
Questions?
We’re All In This Together!

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