



EFFORT COMMITMENTS DURING NO-COST EXTENSIONS

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Overview

After a thorough analysis of sponsor policies and Federal regulations, it has been concluded that a no-cost extension (NCE) simply provides additional time during which the originally proposed effort can be expended, therefore, Sponsored Project Administration (SPA) and Financial & Cost Accounting (FCAS) will no longer require that effort commitments be updated when requesting or receiving a no-cost extension, except for grant programs that have a specific minimum effort requirement that must be maintained during the no cost extension period (e.g., NIH K type awards).

Discussion

The release of the Uniform Guidance (2 CFR 200) in December 2013, and the subsequent issuance of agency-specific terms and conditions compliant with 2 CFR 200, provided an opportunity for the University of Vermont to review its effort policies and procedures. SPA and FCAS have carefully assessed the Uniform Guidance and agencies’ terms and conditions and determined that adjusting our institutional process for tracking effort commitments during a no-cost extension period is acceptable and appropriate.

In October 2015, the National Institutes of Health published a Notice ([NOT-OD-16-017](#)) announcing significant changes to the Grants Policy Statement for FY 2016. One such change



was that the NIH no longer requires prior approval to reduce effort during a no-cost extension (NCE).

Another policy document taken into consideration during the review of effort policies and procedures is guidance from the National Science Foundation on the level of commitment required during a no-cost extension period. In the [Frequently Asked Questions on NSF's Revised Cost Sharing Policy, Updated January 2013](#), the NSF clarified the effort commitment required during a no-cost extension:

19. My award, which funded two months of PI effort, has received a 12 month no-cost extension. However, not enough funds remain to pay all of the remaining award expenses and the additional PI effort during the no-cost extension period. Is the PI required to provide additional effort?

Additional effort on the part of the PI beyond what was initially funded in the proposal is not implied by a no-cost extension. Generally, a no-cost extension is a rearrangement in the timing of when the effort will take place. The two-month commitment originally funded by NSF should be provided for by the awardee institution. However, if the PI was funded two months per year on a three-year grant, the PI should provide six total months over the entire award period. A 12 month no-cost extension would not increase the PI effort to 8 total months. It simply provides an additional year in which the originally proposed effort is to take place.

In addition to reviewing the Uniform Guidance and NIH and NSF policies, SPA sought clarification from other federal and non-federal sponsors. Other sponsors have indicated that additional effort on the part of the PI beyond what was initially funded in the award is not implied by a no-cost extension, except for grants that have a specific minimum effort requirement as indicated in the terms and conditions of the award document. Rather, a no-cost extension simply provides additional time during which the originally proposed effort is to take place.

Principal Investigator (PI) Minimum Commitment

The University's minimum requirement of an *average* of 1% PI effort per budget period continues to apply during the final budget period, with a 12-month no-cost extension period added. If a PI's effort met or exceeded the original commitment and an average of 1% effort for the revised final budget period, then no additional effort is required to be allocated to the project.

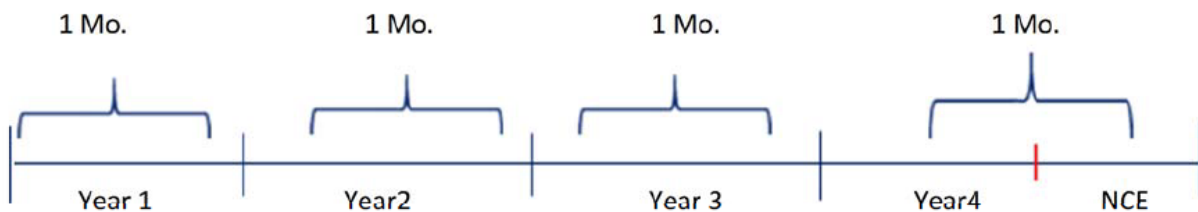


Volunteer Uncommitted Cost Share (VUCS)

Actual effort required to carry out the remaining scope of the project, support programmatic execution, award management and compliance oversight that is beyond both the original commitment to the sponsor and the 1% average PI minimum requirement is considered volunteer uncommitted cost share (VUCS). VUCS should be allocated to either the sponsored project, if the budget allows, or a non-sponsored, non-cost share chartstring using a 291 function code for research related activities. This important internal control is to ensure no other sponsored projects are charged for the additional effort required to complete the scope of work during the NCE period.

Visual Representation

The graphic below illustrates the fulfillment of a one-month effort commitment over the course of a four-year grant, with a 12-month no-cost extension period added.



Resources

- [Effort Management and Reporting on Sponsored Agreement policy \(PDF\)](#)
- [Updated detailed instructions, and answers to frequently asked questions, on processing no-cost extensions \(PDF\)](#)
- Award specific questions can be addressed to SPA@uvm.edu