



## Sponsored Project Administration

<b>Procedure:</b>	<b>Carryforward of Unobligated Balances</b>
<b>Owner:</b>	<b>Sponsored Project Administration</b>
<b>Effective date:</b>	<b>04/30/2018</b>
<b>Last Updated:</b>	<b>05/12/2020</b>

## Background

Most federal and non-federal awards allow for the carryforward of unspent funds from one budget period to the next within the award period of performance. Carryforward may be automatic or it may require prior approval from the sponsor; the Notice of Award (NOA) will dictate the terms of carryforward requests.

## Purpose

This document sets forth the procedure for the carryforward of an unobligated balance of funds from the currently expired budget period to the next budget period.

## Roles and Responsibilities

### Principal Investigator and/or Unit Administrator (When carryforward is not automatic):

- Principal Investigator working with Unit Administrator confirms the amount of unobligated balance from the expired budget period with the SPA Financial Analyst (FA).
- Prepares carryover request being submitted to the sponsor, this often includes a budget for unspent funds. [\(see sample request letter\)](#)
- Initiates electronic requests, for example, NIH eRA Commons.
- Submits the carryforward request and all supporting documentation to SPA FA utilizing the Award Modification Request function in UVMClick.
- Communicates carryforward status as appropriate with UA and SPA FA for follow up action.

### SPA Financial Analyst (When carryforward is not automatic):

- Confirms the unobligated balance amount. Works with PI and UA as appropriate to prepare the carryforward request letter. [\(see sample request letter\)](#)
- Submits carryforward requests to sponsor as outlined in award guidelines.
- Updates UVMClick and PeopleSoft to reduce the project budget in the expired period by the amount of the carryforward requested.
- Coordinates reduction of billing limit with SPA Billing Specialist, if applicable.
- Receives sponsor decision and communicate carryforward status as appropriate with PI and UA.
- Processes approved carryforward changes in UVMClick and PeopleSoft. Increasing the project budget in the current budget period by the amount of approved carryforward.
- Notifies SPA Billing Specialist to increase billing limit on the current budget period, if applicable.
- Updates all relevant milestones in PeopleSoft as necessary.



## Definitions

**Unobligated Balance:** Remaining unspent or uncommitted portion of sponsor funding from the approved award budget period.

**Carryforward request:** Formal request of the sponsor to allow unspent funds from one budget period to the next within a funded project period.

**Final Financial Report / Invoice:** Final report or invoice reflecting a summary of all financial transactions on an award.

**PeopleSoft:** The University of Vermont financial system.

**UVMClick:** The University of Vermont grants management system.

**SPA:** Sponsored Project Administration

**FA:** Financial Analyst

**RA:** Research Administrator

**PI:** Principal Investigator

**OSA:** Outgoing Subaward Specialist

**UA:** Unit Administrator (For the purpose of all procedures, Business Unit Administrator, Business Manager, Grant Administrator, and Department Administrator are all used interchangeably and refer to the person assisting the PI in the Department.

## Procedure

### Awards Allowing Automatic Carryforward

- If the award allows automatic carryforward of the unobligated balance from one budget period to the next budget period, within the award period of performance, no action is needed by the PI or UA to request carryforward.
- All funding received is released to the existing chart strings and will remain available for allowable costs during the life of the award.
- PI and UA will review award terms and conditions for the requirement of reporting estimated unobligated balances in progress reports.
- For NIH RPPR's, unobligated funds expected to be greater than 25 percent of the current year's budget must be disclosed. An explanation and expenditure plan for those funds will need to be included in the PI's progress report submitted in eRA Commons.
  - During the annual internal review of the grant, if SPA determines the unobligated balance was greater than 25 percent and not reported on the PI's progress report, the SPA FA will reach out to the UA and/or PI to generate a letter to NIH, justifying why the unobligated balance was over 25%. The SPA FA will forward the signed letter to the NIH Grants Management Office.
- In the event the UVM award has issued subawards, typically the subawards will have automatic carryforward equal to the UVM award. See the Outgoing Subaward Management section in this document.



## Awards Restricting Carryforward (Requires Sponsor Approval)

- SPA establishes a new UVM project budget chart string for each year's increment of funding. Each budget period is required to be separately accounted for.
- SPA Financial Analyst prepares the draft federal financial report (FFR), other financial reports, or final invoice for the budget period that identifies the unobligated balance remaining on the award. Final financial report is submitted to the sponsor as outlined in award terms and conditions.
- The PI and UA will review the terms and conditions of the Notice of Award (NOA) to determine the sponsor requirements regarding carryover of an unobligated balance. Sponsor approval is usually required under the following conditions:
  - The award has defined line item budget amounts and financial reporting periods over the life of the project.
  - The carryover amount exceeds the dollar or percentage threshold established by the sponsor.
  - Use of re-budgeted funds for activities that require a change to the awarded scope of work.
- UA contacts SPA FA to determine the unobligated balance.
- SPA FA computes the amount of unobligated balance at the award level, covering all associated projects.
- PI and UA prepare a formal letter addressed to the sponsor's grants officer requesting carryover approval. A draft is uploaded into the Award Modification Request in UVMClick for submission to the SPA FA for review prior to signatures. PI signs reviewed the letter and forward it to SPA FA for countersignature. A complete carryover request should include the following information:
  - PI name
  - Grant Number
  - Carryover dates or years (from/to)
  - Amount of the unobligated balance to be carried over broken out between Direct and F&A = Total Cost.
  - Reason for the unobligated balance.
  - Reason the carryover funds are needed to accomplish the grant work and why the grant work could not be accomplished by rebudgeting current budget period funds.
- PI and UA will also prepare required attachments to be included in the Award Modification Request along with the carryforward letter as follows:
  - Detailed total cost budget for the unobligated amount. A total cost budget includes direct costs plus indirect costs using the Facilities & Administrative rate in effect for the current budget period. For NIH use the 2590 detailed budget forms and the checklist page reflecting the requested F&A rate and F&A amount.
  - Budgetary and scientific justifications.
- SPA Team Lead, Research & Financial Reporting, will review, verify, and sign as the authorized business official.
- SPA FA will submit the request to the sponsor, along with a copy of the grant's latest financial report, as appropriate.
  - If the financial report has not been completed, SPA FA will need to confirm the unobligated balance prior to submitting the carryover request to the Sponsor.



- Upon sponsor approval, SPA FA will finalize and complete the budget transaction that adds the approved carryover amount to the chart string established for the current budget period, taking into account any sponsor restrictions that may require a separate project(s) to be established for the carryover funds.

## **Outgoing Subaward Management**

- When outgoing subawardees are included in the carryover request, SPA FA will work with the PI, UA, and SPA Outgoing Subaward Specialist (OSA) to confirm the subcontractor carryover amounts.
- If outgoing subcontractors are included in the carryover request but the carryover is declined by the sponsor, the PI coordinating with the SPA OSA is responsible for ensuring that the subcontracting PI is informed of the notification.
- SPA OSA, upon notification of the approved carryforward for a subaward, will work with the PI and UA to issue the subaward amendments to each sub-recipient.
- SPA FA will work with the SPA OSA to properly align project budgets with the awarded carryover and will include the authorized amount (direct expenses and Facilities & Administration costs) in the communication with sub-recipients.
- SPA OSA will request updated requisitions and purchase orders from UVM Purchasing Department to reflect the increase in the approved subaward amount.
- Purchasing will notify UAs, SPA OSA, and SPA FA when requisitions and purchase orders have been revised.

## **Process for Specific Federal Sponsors**

### **National Institutes of Health (NIH): SNAP Award**

- NIH awards designated as SNAP awards (Streamlined Noncompeting Award Process) in the grant award NOA do not require prior approval of carryforward.
  - Carryforward is automatic, unspent funds will automatically transfer.
  - No action is needed by SPA FA or the PI to request Carryforward.
  - Project budget amount for the reported period will remain the same with no further adjustments.

### **National Institutes of Health (NIH): non-SNAP or Prior Approval required**

- Request is made using eRA Commons (NIH Electronic System)
- eRA Commons, (NIH Electronic System), will make available a carryover request in the Prior Approval Module when the following two conditions are met:
- Prior year's FFR (Federal Financial Report) has been submitted.
- The grant is still active.
  - PI and UAs should contact SPA FA to confirm the FFR has been submitted on eRA Commons.
  - PI working with UA will initiate a carryover request electronically using the eRA Commons Prior Approval Module. The following information is required:
    - Unobligated funds to be carried over
    - Explanation of unobligated funds
    - Budget Justification
    - Scientific Justification



- eRA Commons will notify SPA that a prior approval request is pending in Commons. SPA will review the information, verify where needed, and submit the request.

**NIH RPPR: Estimated Unobligated Balances**

- PI or UA working with SPA FA will determine if anticipated unobligated balance (including prior year carryforward) will be greater than 25% of the current year's total approved budget.
- Carryover balances in excess of 25% require a detailed explanation per the NIH RPPR instructions.

**FAQs**

N/A

**Helpful Links**

**University of Vermont (UVM)**

- [Carryover request letter \( link to SPA website\)](#)
- [UVMClick Award Modification Request](#)

**National Institutes of Health (NIH)**

- [Prior Approval Module - Carryover](#)

**Document Change Record**

Date	Version	Author	Change Details
04/30/2018	1	SPA	Initial release
04/30/2019	1.2	SPA – Nicole	Links Update
5/12/2020	1.3	SPA	Update to add UVMClick