I. PURPOSE

The purpose of this operating procedure is to ensure the appropriate and proper management of carryover funding as it is related to research and training grants and contracts at Emory University.

II. INTRODUCTION

Summary:

Many sponsors allow the Principal Investigator (PI) to transfer, or carry forward, unspent funds from one budget period to the next within a funded project period. Carryovers may be automatic or they may require prior approval from the sponsor; the Notice of Grant Award (NOA) will dictate the terms of Carryover requests.

Non-NIH awards

It is important for the Post Award Administrator and the PI to consult the terms and conditions of the Notice of Grant Award (NOA) to determine the sponsor requirements regarding Carryover of an unobligated balance for Non-NIH awards as requirements vary by sponsor and type of award. Unobligated funds are those that remain uncommitted by contract at the end of a fiscal period. Sponsor approval is usually required under the following conditions:

a) The award has discrete budget amounts and financial reporting periods over the life of the project.
b) The Carryover amount exceeds the dollar or percentage threshold established by the sponsor.
c) Use of rebudgeted funds for activities that require a change to the awarded scope of work.

Department of Health and Human Services (DHHS) and National Institutes of Health (NIH) awards

Under DHHS expanded authority, which applies when the authority to approve Carryover is granted to the recipient institution, Carryover will be automatically approved from one budget year to the next. The NOA will indicate if the award is included under expanded authority. Carryover balances in excess of 25% of the current year’s total budget would need to be reported by the PI in the NIH annual progress report and additional justification may be requested by the agency. NIH is a part of DHHS.
Some specific award types are excluded from expanded authority to automatically Carryover unobligated / unexpended balances. Examples with activity codes include but are not limited to:

- Centers (P30, P50, P60, other).
- Cooperative agreements (U).
- Kirschstein-NRSA institutional research training grants (T).
- Non-Fast Track Phase I SBIR and STTR awards (R43 and R41).
- Clinical trials (regardless of mechanism, with the usual exception of Cell Therapy Research Networks (CTRN)).
- And awards to individuals.

For these award mechanisms, Carryover of the unobligated balance requires NIH prior approval unless otherwise stated in the NOA.

III. PROCEDURE

Overall Process:

1) Post Award Administrator runs a PeopleSoft query to determine which projects are ending 90 days prior to the budget end date, and emails PI the budget period is approaching expiration.

2) The Post Award Administrator should review the grant fund with the PI for appropriate expenditures and spending patterns, review outgoing subcontract expenses (if applicable), and refer to the sponsor’s terms regarding use of any unobligated balance. At this time, the Post Award Administrator should work with the PI to address an unobligated balance. Also, if the award does not allow automatic carryover, the Post Award Administrator should determine if the PI will seek a carryforward of unobligated funds to complete scientific aims.

If the award allows automatic carryover

1) If the award allows for the automatic carryover between budget periods, no action is needed by the Post Award Administrator or PI to request carryover. Budget amount for the reported period will remain the same with no further adjustments.

2) In the event that subcontracts are issued under awards that have automatic carryover, the Finance: Grants and Contracts (FGC) will carryover subcontracts consistent with best practices.

If sponsor approval is required for Carryover request

1) The Post Award Administrator prepares the draft Federal Financial Report (FFR), other financial report, or final invoice for the budget period that identifies the unobligated balance remaining on the award and reviews with the PI for approval. Carryover amounts are computed based upon the unobligated and unliquidated balances at the award level (covering all associated projects), which also includes any applicable unobligated outgoing subcontract balances. Unliquidated balances include funds that are not committed and are available for future commitment.
   a) The computation of the Carryover for awards with multiple projects (e.g., program projects, multi-PI R01, etc.) is based on the total expenses for all funds in accordance with the Complex Award Management-Post Award SOP (SOP #2001).

2) The Post Award Administrator completes the “Carryover Request Template” (See Associated Document 2: Carryover Request Template) with the finalized unobligated balance and project information. The PI should provide the scientific explanation and budget justification.
3) The Post Award Administrator will email the completed Carryover Request Template and any associated
documentation to FGC once the annual FSR report is complete.

4) FGC will verify that funds are available at the completion of the FSR by confirming the final balance.

5) FGC will review the carryover request and submit the request to the sponsor.

6) The sponsor will send an approval or rejection to the Office of Sponsored Programs (OSP).

7) OSP notifies the Post Award Administrator of the sponsor approval or denial. The Post Award Administrator
will then notify the PI.

   i) The receipt of approvals for Carryover varies by sponsor. Approvals may come via an award notice,
hard copy letter or email. Additionally, some sponsors will send the Carryover approval directly to
the PI who should then forward the approval to their Post Award Administrator, who in turn forwards
a copy to OSP.

8) If approved, OSP/FGC will process the carryover request in Compass, including the updating of financial
milestones and inform the Post Award Administrator.

Note: Some agencies will allow Emory to automatically carryover only a certain percentage of the award from
budget period to budget period. For example, an agency may say that a grantee may carryover up to 25% of their
award amount to the next period. These awards should be set up as we do an award without automatic carryover.
A new Compass project should be created for each budget period. OSP will issue the continuation award for the
current amount of that budget period and Post Award Administrator will determine the appropriate amount of
carryover, return what is necessary to the agency and move the allowable percentage to the new Compass project
for the current budget period

Outgoing Subcontract Management:

1) If outgoing subcontractors are included in the Carryover approval, the Post Award Administrator confirms the
subcontractor Carryover amounts with the PI.
   a) Post Award Administrator will work with the PI to properly align budgets with the awarded Carryover
      and will include the authorized amount (direct expenses and Facilities &Administration (F&A) costs) in
      the communication with subcontractors.
   b) Post Award Administrator will submit final approved documents to FGC for carryover, via modification.

2) If outgoing subcontractors are included in the Carryover request but the Carryover is declined by the sponsor,
the PI is responsible for ensuring that the subcontract PI is informed of the notification.
IV. RESPONSIBILITY

Post Award Administrator:
- Work with PI to prepare the Carryover request.
- Confirm the amount of any unobligated balance, per finalization of the Financial Status Report (FSR) or Final invoice, and to update the budget to match according.
- Submit carryover request to FGC or sponsor as outlined in award guidelines.
- Update the relevant milestone on the FSR Milestone page, as per the referenced job-aid, when a set of actions are completed.

Principal Investigator (PI):
- Prepare the letter requesting use of any unobligated balance and to confirm with Post Award Administrator the FSR or Final Invoice figures.
- Submit the carryover request letter and any supporting documentation to the Post Award Administrator.

Finance: Grants and Contracts (FGC):
- Confirm Carryover amount.
- Submit request to sponsor.
- Approve any automatic carryover requests.

Office of Sponsored Programs (OSP):
- Receives approval/rejection from sponsor when required.

OSP/FGC (as outlined in the standard internal eNOA process):
- Process carryover changes in Compass.
- Update all relevant milestones on the FSR Milestone and Invoice Milestones as necessary.

*******************************************************************************END OF SOP*******************************************************************************
**CARRYOVER CHECKLIST**

This checklist is a supporting document for SOP #2015, Carryover. The steps outlined below are a list of the procedures. Please review the SOP prior to completing this checklist for further information and clarification on this process.

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<tr>
<td><strong>1.</strong></td>
<td>Pull query to identify awards with budget periods ending in 90 days</td>
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<td><strong>2.</strong></td>
<td>Email PI regarding end date of budget period and review financial status of award and carryover restrictions with PI</td>
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**If sponsor approval is required for carryover, complete steps 3 through 8. If sponsor approval is not required for carryover, no further action is needed.**

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<td><strong>3.</strong></td>
<td>Prepare draft Financial Status Report (FSR) or final invoice for the budget period that identifies the unobligated balance remaining on the award and review with the PI for approval</td>
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<td><strong>4.</strong></td>
<td>Complete a draft of the Carryover Request template with the finalized unobligated balance and project information included</td>
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<td><strong>5.</strong></td>
<td>Forward the Carryover Request template to the PI to update with the scientific explanation and budget justification, with a cc to FGC</td>
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<td><strong>6.</strong></td>
<td>Obtain approval from PI and submit Carryover Request Template to FGC</td>
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<td><strong>7.</strong></td>
<td>Once approval for carryover has been obtained, notify PI.</td>
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DRAFT - Carryover Request template

Date
Sponsor Program Official
Address
Re: Grant # U01XXXXXX
Dear Dr. XXXXX,

This letter is to request a carryforward of unexpended funds in the amount of $XXX from budget period(s) XXX for grant award # XXXX at Emory University, PI: XXX.

The requested carryforward amount represents direct cost of $XXXX and facilities & administrative cost of $XXXX. We have also attached a proposed budget and budget justification for the carryforward funds to this letter.

The unexpended balance was primarily due to the delayed start and the inherent set-up time needed for study of this size and complexity. In addition, certain expenses such as the analysis of xxxxx have been deferred in order to perform these tests in large batches for quality assurance purposes. Finally, the initial funding year was also foreshortened such that the first year spending period was truncated to eleven months. As a result of these circumstances, there are unexpended funds that are essential to the execution of the original project aims that must be carried forward.

Despite these inevitable challenges, we have made good progress and would request that these funds be transferred to budget year XXX. Overall, we remain confident that the project will be successfully completed in accordance with the original timeline.

Please let us know if you have any questions or need additional information. Thank you for your help with this matter.

Sincerely,

XXXXXX Bill Lambert
Principal Investigator AVP, Finance: Grants and Contracts
Professor of XXX

Enclosures: Budget for carryforward request