**Post-Award Grants Administration**

*10/20/2017*

NCATS grantees are required to adhere to NCATS requirements as well as those outlined in the [NIH Grants Policy Statement](https://grants.nih.gov/policy/index.htm), unless the Notice of Award states otherwise.

**UNOBLIGATED FUNDS**

Unobligated funds are appropriated funds which are unspent and/or uncommitted by the end of a budget period. Unobligated funds remaining at the end of a budget period may be used as carryover or offset by the federal government. Carryover is the process by which unobligated (unspent) funds remaining at the end of a budget period may be carried forward to a subsequent budget period to cover allowable costs in that budget period. An offset is the use of the unobligated funds to partially or fully fund a future budget period.

Prior Approval Requirements

Most grants have automatic carryover authority, and grantees do not have to request approval from the NIH in order to carry over funds from one budget period to the next. Grantees that do not have automatic carryover authority are required to provide a written prior approval request to gain access to those funds. The following mechanisms typically do not have automatic carryover and require NIH prior approval:

* Cooperative Agreements (U).
* Program Centers (P30, P50, P60).
* Awards to Individuals, including Fellowships (F).
* Non-Fast Track, Phase 1 (one-year) SBIR (R43) and (one-year) STTR (R41).
* Training Grants (T)
* Clinical Trials (regardless of activity code).

Before Submitting a Carryover Request

Prior to submitting a carryover request, the grantee is encouraged to discuss it with their Program Officer (PO) and Grants Management Specialist (GMS). In addition, the grantee must ensure that the Federal Financial Report for the last (and all prior) budget period(s) have been submitted AND accepted by the NIH Office of Financial Management.

Process for Submitting a Carryover Request

Carryover requests must be limited to actual needs for the current budget period, must be expended before the end of the current budget period, must meet an immediate need, and must not result in re-occurring costs.

All carryover requests must be made in writing (via email) to the Grants Management Specialist (GMS) and Program Officer (PO) assigned to the grant and signed by the Authorized Organization Representative from the grantee institution. Requests should be submitted 30 days prior to the proposed use of the funds and must include the following information:

* Grant number and PI name.
* Amount of funds to be carried over.
* Explanation for the unobligated balance.
* Plan for expenditure, including a description of activities to be carried out during the carryover period, and how the activities relate to the aims of the project.
* Detailed budget and justification for all items, including detailed budget pages for any subcontract costs.
* Clarification as to why current funding cannot be re-budgeted to cover the expenses.
* Identification of the requested F&A costs, including F&A rate, for the prime grantee and any subcontracts.
* Justification for the request. (See below)

When preparing a justification for a carryover request, grantees should answer the following questions:

* Why were the funds not spent in the past year?
* What additional work will be done during the current grant year that is not possible with the budget currently allotted to this year? Thought must be given to how the work will be accelerated; for example, will more staff be hired, effort increased or more assays run?
* Is the request essential? Are costs reasonable, allowable, necessary and in line with the existing budget? Are there new costs that were previously unforeseen? How will the work be impacted if the funds are not carried over?
* Can the carryover funds be expended prior to the end of the current budget period?

*Note -* *Carryover requests for scholar and trainee slots will only be considered in rare circumstances, carryover for scholar/trainee-related expenses and travel could be considered*.

If the request is approved, a revised Notice of Award will reflect the additional authorized funds for the current budget period. If the carryover request is denied, you will receive correspondence from the GMS.

If all of the above documentation and justifications are provided, the carryover process should take no more than 30 days from receipt to notification of a decision.

Managing Unobligated Balances

Appropriations law requires all federal agencies to abide by the Bona Fide Needs Rule. This rule mandates that a fiscal year’s appropriations only be obligated to meet a legitimate or bona fide need arising in the fiscal year for which the appropriation is made.

In accordance with the Bona Fide Needs Rule and the NIH Grants Policy Statement Section 8.4.1.5.4, NIH is required to manage any reported unobligated balances as part of our fiduciary responsibility for proper stewardship of federal funds.

Unobligated funds are expected to be used before newly awarded funds. Accordingly, the Grants Management Officer (GMO) will compare the total of any unobligated balance shown and the funds awarded for the current budget period with the NIH share of the approved budget for the current budget period. If the funds available exceed the NIH share of the approved budget for the current budget period, the GMO may offset the current award or a subsequent award by an amount representing some or all of the excess.

NCATS is governed by the following guiding principles:

* Balances greater than 100% of the Total Costs to be awarded will be used as an offset for current fiscal year grant activities.
* Balances reported on grants in their final year of the project period may also be used as an offset for the current fiscal year grant activities. However, in general, a balance of up to 25% of the Total Costs of the last award is considered reasonable to maintain for unexpected needs, closeout, and/or necessary acceleration due to recycling. In cases where it is known a new competing segment will be funded, NCATS may leave less than 25% of the TC of the last award, as it is anticipated the new award will provide necessary costs for the activity.
* Balances reported on all other grants may be used as necessary for overarching program needs and management. Again, a balance of up to 25% of the TC of the last award is considered reasonable to maintain for unexpected needs, closeout, and/or necessary acceleration.

In no case does the offsetting of an award constitute the reduction of the current budget period award in that the total authorized level of federal activity remains the same. However, that activity is “paid for” by a combination of prior fiscal year funds and current fiscal year funds.