

Carryover Process for Sponsored Projects

Purpose

To provide an overview of the internal processes to request Carryover.

Definitions

Carryover – Carryover (also referred to as Carryforward) is the process by which unobligated funds remaining at the end of a budget period may be carried forward to the next budget period to cover allowable costs in that budget period. The Carryover of funds enables grantees to use unexpended prior year grant funds in the current budget period.

Offset – move funds to the next budget period but deduct the total from the award amount.

GMS – Grants Management Specialist

NOA – Notice of Award

Carryover Types and Rules

Carryover rules can be found in the award terms and conditions. The Notice of Award (NOA) or similar sponsor award document will include these terms or a link to them. If unsure, clarification must be obtained from the assigned sponsor's GSM or equivalent and the Office of Foundation Relations for foundation donors.

Carryover usually falls into one of the following 3 categories.

- **Automatic** – unspent funds automatically stay in the budget and may be spent in subsequent budget periods. No action is needed by the grantee institutions to use these funds.

For Ex: for most federal NIH research awards where expanded authorities (a waiver of certain prior approval requirements) apply.
 - *Post Award Team reduces the unspent funds in the current budget period and adds it to the subsequent budget period to accurately reflect the budget available for the current period. This is required to ensure that subsequent funding periods reflect the correct budget that includes amounts carried forward from prior years. A note is added in the description section to identify approved carried forward funding or a Note to File must be saved within the PI Project folders.*
- **Restricted** – Prior approval is required to use unspent funds in a future budget period. Grantee Institution and PI must provide a valid reason for unspent funds. The sponsor may approve or deny a Carryover request. The request will need to be made according to the sponsor's guidelines and timeframes.
- **Prohibited** – any unspent, unobligated funds are forfeited at the end of the budget period. They cannot be used in the following budget period.

Before Submitting a Carryforward Request

It is encouraged to discuss with the Post Award Team for any questions prior to submission. The Post Award Team will contact the sponsoring agency to seek clarification and further instructions as needed.

Note: The Financial Reports and Invoices for the last (and all prior) budget period(s) should be submitted to submit a formal Carryover request. For HHS specific awards when submitting the Annual Federal Financial Reports, the remarks section needs to state the intent and Carryover amount. This informs the agencies that a formal Carryover request is forthcoming.

Carryover Process

The PI/Divisional research administrator must monitor the spending rate of the award throughout the life of the project and specifically during the last 90 days of the project. The PI/Divisional research administrator should notify the Post Award Team of the need to Carryover unspent funds from current budget period to the next budget period by completing and submitting a Prior Approval Request Form.

A Prior Approval Request form must be completed at the time of reconciling the period final invoice/report and needs to be signed by the PI. It serves as the intent to request a Carryover once the period final invoice and/or financial report is submitted. This step is crucial for maintaining transparent communication with the Post Award Team regarding the impact of such requests on future funding amendments.

Awards with specific carryover guidelines within the NOA/Agreement will take precedence in submissions and may not need the following documents to request a carryover. Check with the Post Award Team for agency specific guidelines.

Documents to be included to request a formal Carryover Request are:

- Formal letter drafted and signed by the PI with appropriate justification. Justification should include:
 - Reason for the unobligated balance and a brief description of the research progress
 - Explanation of resulting changes to the scope of project, budget, personnel, timeline etc.
 - A detailed budget that should include:
 - The names, effort, and amounts related to key personnel and other staff
 - Details of supplies, purchased services, and other expenses
 - Indirect costs per the approved FNA rate
- The Carryover packet must have the current date when the request is submitted. The request cannot be backdated
- Use the [Carryover Request](#) template to facilitate accurate distribution of funds from current budget period to the subsequent budget period

Review and approval process

Once the completed Carryover packet is submitted to the Post Award office, the Post Award Team reviews the following:

- Carryover terms and conditions and prior approval requirements of the award
- Completeness – does the packet have all the required documentation
- Budget requested – this should tie to the remaining balance per the period final invoice and/or the financial report workbook
- Budget justification and dates of the request
- If all required signatures are present
- If the [Carryover Request](#) template is submitted and accurate

The packet will be submitted to Management for review and approval. The Carryover packet must be signed by the Post Award Authorized Signatory.

Once the documents are reviewed and signed by the Post Award Authorized Signatory, the Post Award Team will facilitate submission of the Carryover request to the Sponsor.

- If we are the Prime awardee, Post award Team will submit via eRA Commons and/or designated sponsor portal
- If sponsor is a Prime Institution and we are the sub-awardee, Post Award Team will submit the Carryover request via email to the Prime Sponsor
- If Sponsor is a Foundation, Post Award Team will submit the signed Carryover packet via email to CHLA Foundation Team and request for submission to the Foundation

Once submitted, PA Team will:

- Notify PI and Division that submission is completed
- Follow up and inform the PI and Division once Carryover is approved or denied.
- Update the budget in PeopleSoft if the Carryover is approved and provide a new award synopsis to the PI and Division.

Roles & Responsibilities

Principal Investigator	Inform Divisional RA that carryover is needed, draft and sign the letter
Divisional research administrator	Support the PI in completing the Carryover packet and submit to Post Award
Post Award Team	Review the documentation, obtain approvals, facilitate submission to Sponsor, follow-up with Sponsor, update budgets in PeopleSoft if approved and inform PI and Division