Children's Hospital LOS ANGELES
THE SABAN RESEARCH INSTITUTE

# Carryforward Process for Sponsored Projects

## Purpose

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

## Definitions

Carryover/Carryforward – Carryover 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

## Carryforward Types and Rules

Carryforward 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, a clarification must be obtained from the assigned sponsor's GMS or equivalent.

Carryforward 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 carryforward 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.

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**Carryforward Process**

The PI/Divisional research administrator must monitor the burn 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 Analyst of the need to carryforward unspent funds from current budget period to the next budget period along with a complete packet within the timeframes specified in the award terms and conditions.

**A Prior Approval Request form will need to be completed to formally notify the Post Award Analyst on the intent to carryforward/carryover. This will need to be signed by the PI.**

**In addition to the Prior Approval Request Form, documents to be included to request a formal Carryforward/Carryover Request are:**

- Formal letter drafted and signed by the PI with appropriate justification. Justification should include:
    - Reason for the unobligated balance
    - Scientific justification as to why the research and/or training program would benefit from carrying over unspent funds
    - 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 carryforward packet must have the current date when the request is submitted. The request cannot be backdated
- Use the Carryforward Request template to facilitate accurate distribution of funds from current budget period to the subsequent budget period

The set of documents listed above are required for all awards in addition to award specific procedures.

**Review and approval process**

Once the completed carryforward packet is submitted to the Post Award office, the Post Award Analyst reviews the following:

- Carryforward 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 workbook
- Budget justification and dates of the request
- If all required signatures are present

- If the Carryforward Request template is submitted and accurate

The packet should be submitted to Management for review and approval. The carryforward packet must be signed by the Post Award Authorized Signatory such as Manager/Associate Director/Director/Associate Vice President.

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

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

For certain sponsors, when the authorized official is the Director of Research Administration, the Post Award Analyst will coordinate with the Grants team for signature and submission.

Once submitted, PA Analyst will:

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

**Roles & Responsibilities**

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