

Policy 50.9: No-Cost Extensions

<i>Effective Date:</i>	July 1, 2012
<i>Last Updated:</i>	June 30, 2012
<i>Responsible Office:</i>	Office of Research Services & Outreach (RSO); College Research Offices
<i>Contact:</i>	RSO or College Research Officers

Reason for Policy

The Principal Investigator (PI) is responsible for all project work being undertaken in order for the project aims to be completed within budget and within the awarded project period. In some cases, it may be necessary to initiate a request for an extension of the original project period allowing for the completion of the project without additional funds being provided by the sponsor.

Federal regulations provide a set of criteria for approving a one-time extension of the expiration date of a federal award for up to 12 months. Some federal sponsors have delegated to UNC Charlotte the authority under grant awards to approve a one-time no-cost extension not to exceed 12 months. Other sponsors require written approval or modifications to an award for no-cost extensions.

Policy Statement

A no-cost extension extends the project period beyond the original project end date with no additional funding. The PI may request a no-cost extension when all three of the following conditions are met:

1. The end of the project period is approaching, AND
2. There is a programmatic need to continue the research, AND
3. There are sufficient funds remaining to cover the extended effort.

Procedures

Some colleges handle no-cost extensions locally and some forward them to RSO for processing, but in all cases the PI should submit a request describing the need for an additional period of time to complete the project objectives to his or her college research office.

[No-cost extension requests](#) should be for programmatic reasons only, and the request must address programmatic issues and may describe justifiable delays, such as late start-up due to timing of the receipt of the award or the loss of a skilled technician. Extensions may not be obtained for the sole purpose of spending remaining funds. When reporting remaining budget information as a part of the request, PIs should work with the Office of Grants & Contracts Administration (GCA) to ensure that the budget information matches the financial accounting records in BANNER.

In order to allow time for processing and to meet agency requirements, requests should be submitted between 45 and 60 days before the end of the award period. The scientific justification/rationale for a no-cost extension request often addresses the following four questions:

1. Why is additional time necessary?
2. What are the total estimated funds remaining as of the current project end date (including indirect costs)? GCA will assist the PI to determine this value.
3. Why are these funds available?
4. How will these funds be used during the extension period?

Most federal sponsors allow the University to grant a one-time extension of a grant without additional funds of up to one year, with any further extensions of time requiring the prior approval of the sponsor. Non-federal sponsors may require the formal execution of an amendment to the contract to effectuate changes or extensions of the terms and conditions of an award.

Additional no-cost extension requests outside of the delegated authority to the university for the initial no-cost extension must be approved by the sponsor. These additional requests for a second no-cost extension often involve significantly more work because, in addition to responding to the four questions above, the PI and the research administrators must explain why programmatic progress has been substantially delayed and/or why significant funds still remain. Dependent on the funding appropriations of programmatic resources to federal sponsors, funds may or may not be available for continuous spending, which could result in a denial of a request for extension of the project end date.

Note that the sponsor always retains the right to say “no.” Examples of reasons to say no might include inadequate programmatic justification, a prior year’s funding appropriation that cannot be extended, or an amount of residual funds that appears excessive. Because a request could be denied, it is always a good idea to request the extension in enough time to manage an orderly accomplishment of project work, and to have a contingency plan in case the sponsor does not approve the extension.

Technical communications between PIs and their agency program directors are authorized and encouraged, but RSO research administration staff or authorized college research administrators should always handle communication with agency officials on matters concerning award agreements.

In those instances where the existing fund number is to be used for a future budget period or the current budget period has been extended beyond the original termination date, GCA will update the BANNER fund number to reflect the new budget end date after their receipt of the approved no-cost extension or contract modification. Documentation must be in the form of a letter (or official e-mail) from an authorized official of the sponsor approving the extension, or by way of a modification of a notice of award.

Note: If human and/or animal subjects are involved in the project, an approved protocol must be in place for the full time period of the project. If a protocol will expire during the extended period, it must be renewed in accordance with University Office of Research Compliance policies.

Exclusions/Exceptions

None

Failure to Comply

Failure to request a no-cost extension in a timely manner may result in the award being closed without the possibility of performing further funded work.

Related Information

[No Cost Extension Memo](#)

[No Cost Extension Request Form](#)