

Carryover/Carry Forward Guidance



Sponsored
Projects Office

What is Carryover/Carry Forward?

Carryforward funds refer to unspent project funds from a prior budget period that are authorized to be carried over and used in a subsequent budget period within the same award. These funds typically represent unobligated balances remaining after allowable expenses have been charged for that period.

Automatic carryforward: Some sponsors (e.g., NIH modular awards) allow unobligated balances to be automatically carried forward into the next budget period without prior approval.

Prior approval required: Other sponsors (e.g., NSF or specific NIH mechanisms) require sponsor prior approval.

Carryforward applies to both direct awards and subawards, including NIH flow-through funding.

General Info

For awards subject to prior approval requirements, recipients must request to **carryover / carry-forward** unobligated funds from one budget period to the next.

To determine if carryover of funding from one year to the next requires prior approval by the sponsor, check your Notice of Award. For NIH awards, this requirement is clearly referenced in section III of the award notice.

Example:

An unobligated balance may be carried over into the next budget period without Grants Management Officer prior approval.

For other sponsors, the information can be found in their respective policy guidance documents. You may also contact your Fiscal Monitor or your SPO Specialist.

What Steps Do I Take?

If you do *not* need sponsor approval to access carryforward funds, you should speak with your department accountant and your Fiscal Monitor about using them.

If you do need sponsor approval, the first step is to speak with your department accountant and Fiscal Monitor from the HSC Contract and Grant Accounting department. Your Fiscal Monitor gives final approval on the amount of unobligated funds available for carryforward.

Once you have confirmation from your fiscal monitor, you will need to put together the required documents so that your SPO specialist can submit them to the sponsor. Requirements vary by sponsor, so check your notice of award for details.

For the NIH, information can be found here:

https://www.era.nih.gov/erahelp/commons/commons/prior_approval%20module/Carryover_process.htm

The three items needed for an NIH request are:

1. A letter with an explanation of the unobligated budget
2. A detailed budget and justification (using the SF424 forms housed at Grants.Gov)
3. A letter with a scientific justification for the request

Those items should be sent as separate documents to your SPO specialist, *after* your fiscal monitor has confirmed the funds. SPO will not submit a carryover request without approval from your fiscal monitor.

Keep In Mind

- Carryover requests should be submitted at least 120 days before the end of the program year in which the funds are being requested.
- Approved carryover funds must be obligated in the year in which they are awarded.
- Carryover funds are intended to cover only prospective costs, not costs already incurred by the recipient.
- Carryover funds are to support one-time activities that align with the grantee's existing goals and objectives. Approval for one-time activities does not constitute automatic approval for funding these activities in the future.