

October 10, 2013

Dear Principal Investigator

**Subject: Effort Guidance When Requesting a No Cost Extension**

When requesting a no cost extension (NCE) it is assumed unless otherwise stated there will be no decrease to your or other key personnel's proposed or approved effort on the project.

For most sponsors if the PI / key personnel's effort (specifically named in the notice of award) will decrease by 25% or more, the change will require approval by the Grants Management Officer/Contracting Officer (not the Program Officer).

To verify if effort changes will require the sponsor's approval, the following formula should be used:

- Originally proposed effort – new effort) / proposed effort = rate of change  
(20% - 14%) / 20% = **30%** (greater than 25% = must request approval)  
(20% - 18%) / 20% = **10%** (less than 25% no notification/approval needed)

If the NCE will result in decreased effort requiring sponsor's approval, a sample letter may be found at <http://hsc.unm.edu/financialservices/preaward/forms.shtml> "**Change in Percent Effort Request Sample.**"

Please note that if PI / key personnel's effort is not officially decreased, and resultant effort certifications are not matching, it will be assumed that the difference will be supplemented as Cost Share from departmental unrestricted funds and an index number from your Chair/Accountant will be necessary.

Please also note that for most active projects there must be at least 1% of the PI's effort to show appropriate oversight. See "**Minimum PI Effort on Awards**" at [http://hsc.unm.edu/financialservices/preaward/HSC\\_policy\\_memos.shtml](http://hsc.unm.edu/financialservices/preaward/HSC_policy_memos.shtml)  
This may also be supplemented as Cost Share.

Please ensure there will be adequate funds to cover labor, fringe, supplies and F&A for the no cost extension period.

Sincerely,



Rena Vinyard  
Director, Sponsored Projects  
Financial Services/PreAward