

## What is Carryforward?

- Carryforward is a process through which unobligated funds remaining at the end of one budget period may be carried forward to any subsequent budget period.
- Depending on the terms and conditions of the award, Carryforward may require a **prior approval** request from the funding agency before funds can be reallocated to a subsequent budget period.

## When Is Prior Approval Required?

- The Notice of Award will indicate whether Carryforward of unobligated funds into subsequent years is restricted.
- If the NOA does not impose restrictions on Carryforward we refer to the award as having “automatic” Carryforward and prior approval is not required.

## Carryforward in a No-Cost Extension Period

- When the final budget period of an award is extended via no-cost extension (“NCE”), a Carryforward request is not required to use unobligated funds from that final budget period during the NCE period.

## Offsets vs. Carryforward

- Many people use the terms “Carryforward” and “Carryover” interchangeably but there is a key difference between the terms.
- Carryover is typically synonymous with an offset, which reduces the total amount of federal funds obligated to date of the award by the amount of the unspent balance between years.

**Example:** PI is in year 3 of an NIH award. For each year of the award, they were to receive \$100,000 in total costs, but had an unspent balance of \$43,000 in year 1. The GMS and PO are concerned with progress and plan for spending, so they decide to offset the funds in year 3.

The year 3 NOA comes in and awards \$57,000 in new funds and offsets the remaining funds of \$43,000 from Year 1. PI will still have \$100,000 available to spend in year 3 but the total funds authorized is now \$257,000 instead of \$300,000.

**\*Incoming subawards can also restrict carryover, even though the prime may not, review for **prior approval** requirements\***

### NIH Specific Tips:

- Prior approval is NOT required to Carryforward funds under awards that allow automatic carryforward (NIH awards under [Streamlined Non-Competing Award Process](#) or “SNAP”), but if there is a residual balance of greater than 25% reported on the RPPR, prior approval *may* be required on a case-by-case basis as determined by the Grants Management Specialist.
- NIH Award activity code numbers that may require prior approval for Carryforward

Sample Grant Number: 1 R01 CA 123456-01A1

Application Type	Activity Code	Institute/Center (IC)	Serial Number	Support Year	Extension
1	R01	CA	123456	01	A1

The following activity codes will likely require a carryover request:

- P20, P30, P50, Program or Center grants
  - U##, Cooperative Agreements
  - F##, Fellowships, or awards to individuals
  - T##, Training grants
  - R41 & R43, Non-Fast Track, Phase 1 (one-year) SBIR and STTR
  - Clinical Trials regardless of activity code
- NIH funds do not expire in PMS if you do not request Carryforward of the funds or if a Carryforward request is denied. This often misleads institutions.
    - Good rule of thumb: check with Assistant Director to verify status in PMS or provide reconciliation info.
  - You must demonstrate a current need for the funds. Do not request all the unobligated funds unless you have a clear plan for how to spend them.