

December 28, 2011

Requests for No-Cost Extensions under ONC Grants and Cooperative Agreements

NOTE: The following information is provided as a supplement to Grants Management Advisory (GMA) 2011-2, Requests to Use Unobligated Balances under ONC Grants and Cooperative Agreements, dated January 31, 2011. That GMA remains in effect and should be used in conjunction with this supplementary information.

ISSUES:

ONC awards will begin to expire in 2012. If recipients that have not completed their projects and have funds remaining want to continue those projects after the currently scheduled end of the project period, certain process requirements must be followed. These requirements are necessary to ensure timely communication of intent and an adequate opportunity for ONC review, including an assessment of whether the project can be completed during an extended period and at what cost, and the effect of any statutory or policy limitations.

KEY POINTS:

- Within 6 months of the scheduled end of the project period as show in the latest Notice of Grant Award (NGA), a recipient should know what the performance and financial status of its project will be by the end of the project period and whether it wants additional time to complete the project.
- As soon as the recipient determines that it would like to continue the project, but no later than 90 days before the end date shown in the NGA and before submitting any formal request to ONC, the recipient should advise the ONC project officer (PO) of its intent and discuss the proposed length of the extension. This informal contact will not replace a formal request and approval process but may help identify any issues or limitations.
- Only requests for “no-cost” extensions will be entertained by ONC. ONC will not make any additional funds available to complete projects.
- Each formal request for a no-cost extension must be made through GrantSolutions **no later than 60 days before the scheduled end of the project period** (this differs from the time period specified in in GMA 2011-02 because of the volume of such requests that ONC now expects) by an authorized official of the recipient and include the following:
 - A brief explanation of why approved activities will not be completed by the scheduled end of the project period and the impact of having to end the project as scheduled;
 - A description of the programmatic work to date from the latest reporting period;
 - An estimate of the amount expected to remain unobligated as of the end of the project period;
 - The amount of the estimated unobligated balance requested for use in an extended period and the duration of the proposed extension, which may not exceed 12 months; and
 - A budget, using the SF 424 budget format, and budget narrative for the amount requested for use in the extended period, and a brief narrative explanation of the activities that will be completed during the extended period. (NOTE: No new activities may be undertaken; all activities must be based on the approved application.)

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- Requests must be realistic in terms of time requested and the accompanying budget for the particular project; ONC will not automatically approve requests for a full 12 months and use of all remaining funds. ONC will not entertain a request for a no-cost extension unless all required financial and program reports have been received and are acceptable.
- In reviewing requests, ONC will consider such factors as the recipient's expenditure rate to date, the size of the unobligated balance in relation to the approved budget, the recipient's performance to date, and the amount that can reasonably be spent and what can realistically be accomplished within the extended period. ONC has the right to approve a request for a lesser amount or a shorter duration than requested, or to disapprove a request.
- Decisions by ONC will be made timely to allow for orderly closeout or reduction in activity if a request is not approved or approved as requested.
- If ONC approves the request (either as requested or as modified), any amount remaining at the end of the original project period, i.e., before the extension, that exceeds the amount approved for use in the extended period will be deobligated. The amount approved for use in an extended period represents a ceiling. ONC will not provide any additional funds if there is a shortfall.
- For extensions of more than 6 months, ONC reserves the right to require an early closeout if the money is not being spent at a reasonable rate and/or activities are not being completed as determined by ONC monitoring.
- Grantees will receive notification of approval of a no-cost extension through a revised NGA showing the revised project period end date. All other terms and conditions of the award being extended remain in effect.
- A request for a no-cost extension to a project period which extends beyond September 30, 2013 will not be approved. **All no-cost extensions must end on or before September 30, 2013.**
- In the absence of an approved request (either because a request was disapproved or a recipient did not make such a request), ONC will deobligate unobligated funds reported on the final Federal Financial Report (SF-425) (due within 90 days of the end of the project period) as part of closeout.

RECIPIENT RESPONSIBILITIES:

- Accurately and timely report any unobligated balance in your annual Federal Financial Report.
- Only request a no-cost extension if there is an expectation that required activities can and will be completed in the extended period.
- Meet the time frames for no-cost extension requests and provide the required documentation, including an accurate estimate of the funds required to complete activities in the extended period.
- Continue meeting all reporting requirements during an approved no-cost extension period; Federal Financial Reports are due on December 30 of each year, and programmatic reports should be submitted based on the schedule outlined in the NGA. The final Federal Financial Report is due 90 days after the end of the project period.