

RAOR Forum
November 20, 2013
Tickle Building

Topic: No Cost Time Extensions (NCTE)

Definition of NCTE - An extension of time on a previously awarded project to finish the work/objectives/reports at no additional cost to the sponsor.

NCTE requests/approvals/processes are sponsor-specific.

Whatever mechanism your award is under, it is very important to be familiar with the conditions of the specific award/sponsor.

A few simple questions that **must** be addressed for each sponsor:

1. What is the justification for requesting a NCTE?
2. What work will be completed during the extension?
3. What is the estimated unobligated balance? Is it enough to carry you through the extension to cover the costs?
4. What length of time is needed?

To initiate the request, OSP has an **Award Action Form** (AAF) available on the OSP website. The AAF is an internal document that should be completed, signed, and sent to OSP to initiate the request.

Always call if you have any questions and OSP will guide you through the process.

Basic Characteristics of Individual Sponsors

Tara – DOD and NASA (misc. federal sponsors)

The AAF is used when calling the contracting officer to request the NCTE. The form should contain all the necessary information to make the request.

Once the AAF is completed and reviewed, OSP will contact the sponsor.

Each contract will have terms about what to do to extend the period of performance at no cost to the government.

NASA contracts are allowed a NCTE not to exceed 12 months prior to the expiration date.

- The request must be submitted at least 10 days prior to the expiration of the award.
- If the program officer has approved a NCTE, it will be used as support for the official request made to the contracting officer.
- Approval from the program officer is not an official approval. Once the extension is approved, a modification extending the period of performance will be issued.
- Until the modification is received, SPA does not know there is an extension and we cannot legally say it has been extended yet.

- The University must officially accept the terms of the modification.

Air Force has a lot of different types of contracts.

For example, **Air Force Research Lab** doesn't specifically say anything about extensions in their contracts. However, there is a section on modifications to the contract which can be reviewed for guidance.

Office of Naval Research - contract terms are not stated in the contract. You must go online to see terms and regulations.

The Award Action Form is very important! Many times, contracts are very convoluted and hard to navigate so please do not hesitate to call with questions.

Betsy - **NIH/DHHS**

- NIH generally allows one time extension up to 12 months.
- Make sure that no additional funds are required and that there will not be a change in the scope of work.
- Just because there is money left over doesn't mean you will get a NCTE. There must be work to be completed that ties back to specific project goals.
- All original terms and conditions continue during time of extension
- Only an official authorized to sign on behalf of the University can submit an extension request, so it must go through OSP.
- NIH accepts request no earlier than 90 days before the end date.
- Please keep in mind 2 week turn-around in OSP. Do not wait until the last day to submit your forms.
- On the first NCTE request, the sponsor will be notified in ERA commons. Notifications cannot be submitted via email or fax. Requests must be submitted online in ERA commons.
- Other DHHS agencies such as SAMHSA and HRSA are not exactly like NIH, so please ask questions.

NSF

- NSF is the most casual...
- The first extension is grantee approved under expanded authority.
- If submitted 10 days before the deadline, OSP has expanded authority and does not need a modification to extend.
- 2nd or 3rd extensions must be NSF approved.
- Due 45 days before end date. No modification issued.
- Award action form is not required for NSF accounts.
- PIs requests through their own Fastlane account.

Sara – SPA's point of view on NCTEs

- UT needs a NCTE if the award is ending and the PI needs more time to complete the statement of work and still has funding available.
- The Controller's Office previously sent an email to PIs 60 days before the end date of an award reminding the PI to request a NCTE, if appropriate, or prepare to close the account. This has not been done for some time, but was restarted last week. The Controller's Office will look into adding notifications to bookkeepers and responsible persons.
- SPA sends out a Schedule of Final Charges (SFC) form to the bookkeeper/business manager the month after an award ends.
- When the departments tell us an award is getting a NCTE, the first thing we should ask them is if they have contacted OSP.
- The department needs to go through OSP. Once OSP has processed the NCTE, SPA will update IRIS with the new end date.
- If your award does not get the NCTE, any expenses posted to the account after the end date will become the department's responsibility. If a new award is issued rather than a NCTE, SPA will need to set-up a new project definition. Be sure to request NCTEs early and in accordance with your specific sponsor's regulations to ensure that requests for NCTEs can be considered.

Discussion / Questions

Q: On NCTEs, can you say that the PI is going to have less time on the project? Or does he have to commit the same percentage of time?

A: When the request is routed to OSP, if you know the effort will change, it needs to be addressed at that point in time. If you don't address the reduction when the NCTE is requested, the previous contract terms will continue.

Note: On a project, if the estimated unobligated balance is 25% or more, there is a strong possibility the sponsor will request a detailed budget on how the funds will be used during the extension. Some are not aware that we cannot process an extension if there is not an amendment or modification made to the contract.

Q: What do you need from the departments that you're not getting? What issues are you having?

A: The Award Action Form. If all the information is there, it will help us in the request to the sponsor. It will make things a lot easier and faster to process. An email from the PI stating that you need an extension is not sufficient. It is necessary to get in the habit of completing the AAF. This is an internal file so it is not sent to the sponsor but it does go in the file and is auditable.

NEVER put it writing that we need an extension just to spend out the money. NEVER.

Q: If there is a subcontract with the award, does the AAF start this process also? Or do we need to go to Raymond afterwards?

A: If it's not on the form, OSP will come back to you and ask about your intent to extend the subcontract(s). The parent award does not automatically extend subcontracts. If UT is the subcontractor and we decide we need a NCTE, the request should be made on the award action form and routed through OSP. Then we will approach the lead institution and make our request. That institution will then have to go to the sponsor.

Q: If you submit a request late, do federal sponsors ever say no?

A: Yes, sponsors can say no if the request is after the fact. Example – on a state contract, a request was made after the end date and the sponsor denied it.

Example: For NIH, even if the award falls under expanded authority but we are past the end date, we no longer have authority. A written request will be required.

Note: Please keep in mind, responsibilities shift between SPA and OSP during the course of an award. Please send the correct forms to the right office.

Some sponsors are great about addressing NCTEs. Others do not send reminders and expect you to keep up with it. OSP relies on the departments to look at those and submit the award action forms accordingly.

Q: If a private company sends an email saying its ok to extend... is that good enough for OSP?

A: No, OSP must have it in writing. The contract must be modified. There must be an amendment. If instead of actually issuing an agreement and the sponsor sends a letter...OSP has to go back to the sponsor requesting something in writing on official letterhead. It has to be a formal amendment signed by both parties.

Q: A lot of these forms are language specific. Are there certain key words that can help the PIs know what to include on the form?

A: Try re-reading the justification from the perspective of the reviewer. Some PIs are reluctant to admit "I'm not finished because....." The sponsor just needs to know why you didn't get finished. It could have been because of hiring difficulties, equipment delays, etc. A lot of faculty just see that they have money left and want an extension. What work are you going to do to spend that money? That needs to be in the justification. You can call and ask questions before you submit the form. That will save a lot of time going back and forth.

Q: To what degree does OSP compare the remaining budget vs the amount of work left to do?

A: OSP will try to pick up on the anomalies (if there's too much money or not enough money left) but no set dollar to work comparison.

Q: UT Battelle often uses fixed priced contracts and doesn't want to go through the trouble of granting an extension. Do we need this on a fixed price contract? Can you overcharge a fixed price contract?

A: You still have to do a NCTE. If you have a large unspent balance at the end, it can become a pricing issue. If UT overpriced, it can become an audit issue.

Q: What is the sweet spot for requesting an NCTE? 45 days? 90?

A: It can be anywhere between 30 to 90 days. Some sponsors won't accept it before 90 days. Some will accept it 6 months before. It is sponsor-specific.