

## **No-cost extensions**

If a sponsor funded project can not be completed by the end date, the PI can request a no-cost extension of time so the work can continue.

A no-cost extension means that a sponsor will allow the PI an additional period of time to complete the project and complete reports, but will not provide additional funding.

Most sponsors will not consider any no-cost extension unless it has been signed and submitted through OSPA. Requests for extensions must be submitted far enough in advance to allow proper processing prior to the original end date.

## **No Cost Extension - sponsor provides ISU expanded authority**

Several federal sponsors allow ISU to grant a first time, no-cost extension, up to 12 months.

An extension request, with justification, should be forwarded to OSPA 30 days prior to end date. The No-Cost Extension Request Form can be used to make this request:  
<http://www.ospa.iastate.edu/AwardProcess/docs/NoCostExtRequest.doc>

OSPA will forward the appropriate notification to the sponsor. A letter or notice will need to be submitted to the sponsor which notifies them that the extension has been granted and documents the justification for the extension approval.

***Note:** Not having spent all the allotted funds is not an acceptable reason for requesting a no-cost extension.*

### **Guidance from A110:**

*Federal awarding agencies are authorized, at their option, to waive cost-related and administrative prior written approvals required by this Circular and OMB Circulars A-21 and A-122. Such waivers may include authorizing recipients to do any one or more of the following. (one of these is a no-cost extension as stated below)*

*Initiate a one-time extension of the expiration date of the award of up to 12 months unless one or more of the following conditions apply. For one-time extensions, the recipient must notify the Federal awarding agency in writing with the supporting reasons and revised expiration date at least 10 days before the expiration date specified in the award. This one-time extension may not be exercised merely for the purpose of using unobligated balances.*

*(i) The terms and conditions of award prohibit the extension. (ii) The extension requires additional Federal funds. (iii) The extension involves any change in the approved objectives or scope of the project.*

## **No Cost Extension-sponsor approval required**

Not all federal sponsors have delegated authority to ISU to grant no-cost extensions. On these federal projects, extension requests will require sponsor approval.

For sponsors other than federal agencies, sponsor guidelines will need to be reviewed to determine if extensions are allowed and if so, the process for requesting an extension. The most common awards require amendments approved by the sponsor.

The award agreement with the sponsor establishes a period of performance and creates a schedule for the submission of reports and other deliverables. If a project will not be completed by the end-date on the agreement, then the schedule for deliverables will need to be revised. Because this type of change to the agreement requires mutual written consent by both the University and the sponsor, an extension request is required by the principal investigator. Sponsor guidelines should be reviewed to determine information required for this request. Contact the OSPA Award or Industry team for assistance in preparing this request 60 days prior to termination date. The sample extension letter may be used as a guide in requesting the extension:

<http://www.ospa.iastate.edu/AwardProcess/docs/NoCostExt-ltr.doc>.

The request will need to be countersigned by the OSPA office before forwarding to the sponsor for approval.

If an extension is not requested, the University could be in breach of the agreement, which increases the risk of nonpayment.

Fixed-fee and fixed price contracts must be extended if the project will not be completed by the end date on the agreement.