

**To:** FY 2005 Safe Schools/Healthy Students Grantees

**From:** Safe Schools/Healthy Students Federal Team

**Date:** March 12, 2008

**Subject:** No-Cost Extensions – Information for FY 2005 SS/HS Grantees

As we approach the end of the third and final year of your Safe Schools/Healthy Students (SS/HS) grant, many of you have requested information regarding a no-cost extension (NCE). Attached is general information on NCEs that should address many of your questions.

Please review this memo and the attached information. Following your review, if you and your grant partners decide to request a NCE, you must forward to your Federal Project Officer a justification that provides the following information:

1. List all activities that were to be completed during the entire performance period as outlined in your initial project application.
2. Identify all activities that have been completed and the date on which they were completed.
3. Identify the activities that are not yet completed and explain why they are not finished.
4. Explain your plan to complete the activities within the no-cost time extension period by providing a detailed project timeline for the extension period requested.
5. Provide a budget indicating how much money has been spent thus far, the amount of money you anticipate carrying into a no-cost extension, and a general plan for spending any carryover funds during the time of the no-cost extension. (A final NCE budget will be submitted for FPO approval at a later date.)
6. Identify your proposed end date for the project (e.g., September 30, 2009).

To ensure a smooth transition into the NCE period without any interruptions in access to your GAPS account, please submit the NCE request by **April 30, 2008**.

Please note that your final performance report will be due 90 days after the end of the no cost extension period.

Please note that no-cost extensions cannot be used merely for the purpose of using unobligated funds, nor may they include any change in the approved objectives and scope of the grant. This means that no new activities can be proposed in a no-cost extension request. This time can only be used for the completion of previously approved grant activities that require additional time for completion.

***If you are not planning to request a no-cost extension period, please inform your Federal Project Officer so that s/he may forward final performance reporting and grant close-out instructions to you.***

As always, specific questions about your Safe Schools/Healthy Students' grant should be directed to your Federal Project Officer.

Memo attachment

## **NO COST EXTENSIONS**

Part 74.25 of the Education Department General Administrative Regulations (EDGAR) allows grantees to undertake certain types of administrative actions on grants without prior ED approval. One such administrative action is "to extend grants automatically at the end of a project period for a period of up to one year without prior approval (with certain exceptions)."

According to EDGAR, grantees are required to notify their Federal Project Officer of the planned no cost extension, with supporting reasons(s) for the extension, at least ten days before the end of the project period. The ten day notification requirement is intended to give the Federal Project Officer time to review the request and revise the data element for the project period end date in the ED Grant Administration and Payment Systems (GAPS).

We ask that FY 2004 grantees requesting to go into a no-cost extension period submit the notification by **April 30, 2008** to ensure continued access to grant funds. Failure to provide notice within the prescribed time may result in the grant closing under its automated procedures, leaving the grantee unable to draw funds from GAPS.

## **FREQUENTLY ASKED QUESTIONS - NO COST EXTENSIONS**

### ***What is a no-cost extension?***

A no-cost extension is a one-time extension of the project period for up to twelve (12) months after the original grant period ends. While this one time no cost extension does not require approval from your Federal Project Officer, grantees are required to submit to the FPO a request for the no-cost extension before the grant period ends. Note that the purpose of the extension cannot:

- Require additional federal funds;
- Change the scope or objectives of the project;
- Be merely for the purpose of exhausting unexpended funds; or
- Be contrary to Federal statute, regulations, or grant conditions.

### ***How do I request a no-cost extension? When?***

Under Expanded Authorities, grantees need only to submit notice of their intent to continue grant activities/programs for up to one year. *The notice of intent to extend, along with supporting reasons for the extension, should be sent to the Federal Project Officer **no later than April 30, 2008**.*

***How long does a no-cost extension period last?***

A no-cost extension can last for up to twelve months. The no cost extension expires on the revised expiration date provided by the grantee. For FY 2005 grantees, this revised expiration date cannot exceed September 30, 2009 (twelve months).

***What happens if I need additional time beyond the twelve months of the no-cost extension?***

Unlike the initial request for a no-cost extension, an additional extension beyond September 30, 2008, requires prior approval. Forty-five days before the end of the revised project expiration date, the grantee must send a written request to the Federal Project Officer that states the reason(s) for the extension, provides an explanation of how funds will be expended, and includes a revised expiration date. With guidance and oversight by the Interagency Policy Team, your Federal Project Officer will review the request and provide written notification of approval or denial within 30 days. (See section 75.511 of EDGAR.)

***Are grantees required to retain a Project Director during the no-cost extension period?***

All SS/HS grant programs must have a Project Director until all Federal funds are expended and/or until all final reports have been submitted by the grantee and accepted by the Federal Project Officer. Further, any changes in key personnel specified in the application, including the absence for more than three months or a 25 percent reduction in time devoted by the Project Director, requires prior approval from your Federal Project Officer.

If the number of grant activities are reduced during the no cost extension and it is determined that a full-time Project Director may not be necessary, you will need to make that a request in writing, fully documenting the need for less than full-time Project Director.

***What are the reporting requirements during the no-cost extension period?***

During the no cost extension period, SS/HS grantees may be required to submit a performance report every 6 months. Instructions for performance reports will be provided prior to the report's due date.

***What regulations apply to the funds carried over to a no-cost extension?***

Regulations that currently apply to grant funds also apply to grant funds expended under a no-cost extension, i.e., funds must be used for allowable costs that fall within the approved project scope. Regulations governing the carryover of funds can be found in section 75.261 of EDGAR.

All Grant Award Notifications issued to SS/HS grantees have also included Attachment Z. Attachment Z restricts your transfer of funds between the two budgets: this restriction remains in place during a no-cost extension period. Also, funds in excess of 10% of a budget may not be transferred within a budget without the prior review of and approval by your Federal Project Officer.

***Do I need to submit a budget for the no-cost extension period?***

With the no-cost extension request, grantees are required to submit a projected spending plan that addresses how funds carried into the no cost extension will be spent. The spending plan will be reviewed by your Federal Project Officer in order to determine that all activities planned during the no-cost extension period represent previously approved activities that need additional time for completion.

Grantees will be asked to submit a final NCE budget by October 31, 2008, which corresponds with the due date for the year three annual performance report. The final NCE budget should detail the exact amount of funding that remains for the NCE period and how those remaining funds will be spent. The final NCE budget requires FPO approval.

***Is there a minimum financial requirement for evaluation during the no-cost extension year?***

There is not a minimum financial requirement for evaluation during the no-cost extension year. However, it is expected that the local evaluation will cover the full course of the project, from beginning to end. We recommend that you review your grant evaluation contract to ensure that evaluation activities will continue into the no cost extension period. You may need to budget additional funds from your unexpended funds to complete all evaluation activities, which includes a final evaluation report that is submitted with the final grant performance report.

***Will I receive verification of the no-cost extension?***

After your Federal Project Officer has reviewed the no-cost extension request, the supporting reasons, the budget, and the revised expiration date, a new Grant Award Notification (GAN) reflecting the revised end date of the project will be sent to you. You should receive the GAN not later than September 30, 2008. If the required documentation for the no-cost extension is not received or is of unacceptable quality, your Federal Project Officer will inform you in writing before June 1, 2008, and will instruct you not to continue project activities or expend grant funds after September 30, 2008.