Oregon State University

Responsible Executive: Vice President for Research
Responsible Office: OSRAA
Effective: 1/1/2024
Last Revised: 12/22/2023

Guidelines for Bracketed Funding / Restricted Carryforward on Sponsored Projects
Companion to Research Office Policy 24-006

These guidelines provide additional detail regarding responsibilities and processes for managing awards with bracketed funding where carryforward is restricted on sponsored projects. Definitions are re-stated from the policy for ease of use.

Definitions

- **Bracketed funding,** also referred to as *bracketed spending* is a subset of project funding restricted to a shorter budget period than the overall sponsored project period of performance. These funds may need to be tracked, reported, or invoiced separately from other project funds **and** do not have automatic carryforward of any remaining funds into future periods of performance or task(s) without sponsor approval.
- **Carryforward** is the unspent or unobligated balance of funds from a prior budget period(s) which the recipient may request to use in the current budget period to meet the needs or support the objectives of the project. Awards on which carryforward is restricted will be treated as bracketed funding. The terms *carryforward, carry forward, carry over,* and *carryover* are often used interchangeably, and at OSU will all be taken to have the same meaning.

  Note: NIH and some other universities draw a distinction between the definitions of carryforward and carryover, which may impact the overall spending authorization. Should this occur, the award document will provide the necessary budget impact clarification.

General Guidelines

The Research Office (RO), Office for Sponsored Research and Award Administration (OSRAA), and the Division of Finance and Administration (DFA) have collaborated to streamline and document business functions and to clarify roles and responsibilities for Research Administration. As there was no consistent method in place to ensure proper management of bracketed funds and for requesting carryforward when required, a dedicated collaborative workgroup was established to develop and implement a policy and workflow based on best practices.

Uniform Guidance requires that the university identify federal awards and programs with accurate, current, and complete financial records in accordance with the reporting requirements, making it necessary to segregate, finalize, draw/invoice, and report on these

funds at the conclusion of each budget period. In addition, we must be able to reproduce a list of expenses posted to each distinct budget period when carryforward is not automatically granted.

In accordance with RO Policy 24-006: Bracketed Funding / Restricted Carryforward on Sponsored Projects, Standard Operating Procedure: Managing Awards with Bracketed Funding / Restricted Carryforward on Sponsored Projects was established to provide clear definitions and a consistent methodology to ensure compliance with federal guidance and sponsored award terms when funds are bracketed and carryforward is restricted.

The procedure defines roles and responsibilities and the steps to be taken at each stage, from award acceptance, to setup, during project spending and expenditure monitoring, and during the closeout of one budget period to transition into subsequent periods, including the request for carryforward for any remaining funds in the expired budget period.

Having a consistent approach and practice will ensure the following:

- Award terms are communicated to principal investigators and their fiscal and administrative research support teams from the time the award is accepted,
- Costs are recorded properly recorded in the designated budget period,
- Financial system flags are established to alert staff of expiring budget periods,
- Claims and reports are completed accurately and timely using system events and reporting tools,
- Carryforward requests are made timely and, when necessary, expired funds are deobligated and removed from the expired indexes,
- New indexes are created timely as a procedural step in the transition from one budget period to the next, and
- Expired indexes and funds are terminated on a timely basis.

The Standard Operating Procedure: Managing Awards with Bracketed Funding / Restricted Carryforward on Sponsored Projects is located on the OSRAA Training webpage.

Responsibilities

A comprehensive list of OSU roles and responsibilities pertaining to sponsored awards is available on the OSRAA website.

Principal Investigators (PIs)
- Review and understand the award terms and conditions, particularly those highlighted in the PI Letter, including restrictions to carryforward of remaining budget.
- Regularly review expenses posted to their sponsored awards.
- Prepare and submit timely progress reports as required.
- Provide timely notification of anticipated carryforward requirements.

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*Fiscal Support Units include personnel from Financial Strategic Services and other individuals or units providing research administration support to Principal Investigators, Research Office personnel who support research centers and institutes, and Cascades Campus.

- Provide appropriate project-based justification and timely signature for carryforward requests.
- Provide timely notification to appropriate administrative personnel regarding any changes to project scope of work or anticipated changes to committed effort for key personnel.

Fiscal Support Units*
- Review and understand the award terms and conditions, particularly those highlighted in the PI Letter, including restrictions to carryforward of remaining budget.
- Provide reports and other information as needed to help PIs understand what is being charged to their sponsored projects.
- Monitor to ensure that expenditures are charged against the current period index.
- Review spending for allocability and allowability, given project period restrictions.
- Prepare carryforward and rebudget requests as needed, get PI signature, and submit to OSRAA.
- Initiate closeout activities to close expiring bracket budget period and confirm final figures within the stated timelines.
- If necessary to accommodate urgent business needs, request pending indexes for charges.

OSRAA
- Accept incoming awards and communicate specific terms and conditions to PI and Fiscal Support Unit.
- Set up award to support effective award management per established policies, guidelines, and procedures.
- Provide timely and effective communication to support effective award management, including advance notice of expiring budget period and deadline for final figures.
- Prepare and submit invoices, draw requests, and financial reports according to the terms and conditions of the award using the university's financial system of record as the primary source of expenditure figures.
- After final claim and/or financial reports are submitted, initiate closeout process for expired index/fund and reduce budget for expired budget period.
- Review rebudget and carryforward requests for conformance with policy and procedures, submit to sponsoring agency.
- Accept approved requests and incorporate into the current budget period records
- Communicate disapproved requests to PI and Fiscal Support Unit as soon as possible.
- Establish & maintain policies, guidelines, and supporting documents for use by campus stakeholders to ensure compliance with applicable regulations.

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- Provide timely communications to campus stakeholders with information pertaining to award administration issues to promote a robust system of internal control.

Other Resources

OSRAA Policies: https://research.oregonstate.edu/osraa/osraa-policies

- *RO Policy 24-006: Bracketed Funding / Restricted Carryforward on Sponsored Projects*

OSRAA Frequently Asked Questions (FAQs)

OSRAA Training

- *Standard Operating Procedure: Managing Awards with Bracketed Funding / Restricted Carryforward on Sponsored Projects*
- *Workflow: Managing Awards with Bracketed Funding / Restricted Carryforward on Sponsored Projects*
- OSRAA Outreach and Education recording, 11/16/2023

OSRAA Forms

- *Carryforward Request Template*
- *Rebudget Form for Sponsored Projects*
- *Rebudget Guidance and Prior Approval Matix*

Finance and Administration Controller's Unit Forms

- *Sponsored Award Closeout Checklist*

Federal Uniform Guidance:

OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards §200.303 Internal Controls

OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards §200.403 Factors Affecting Allowability of Costs

OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards §200.302 Financial Management

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Contacts

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