

## Guidance on Effort Commitments During No-Cost Extensions

Date: March 1<sup>st</sup>, 2017

### Updated Process

With the exception of grant programs that have a specific minimum effort requirement (e.g., NIH K type awards), Research & Sponsored Programs (RSP) will no longer require the update of effort commitments when requesting, or receiving, a no-cost extension. After a thorough analysis of sponsor policies and Federal regulations, it has been concluded that a no-cost extension (NCE) simply provides additional time during which the originally proposed effort can be expended.

### Discussion

The release of the Uniform Guidance (2 CFR 200) in December 2013, and the subsequent issuance of agency-specific terms and conditions compliant with 2 CFR 200, provided an opportunity for UW-Madison to review its effort policies and procedures. RSP has carefully assessed the Uniform Guidance and agencies' terms and conditions and determined that adjusting our institutional process for tracking effort commitments during a no-cost extension period is acceptable and appropriate.

In October 2015, the National Institutes of Health published a Notice ([NOT-OD-16-017](#)) announcing significant changes to the Grants Policy Statement for FY 2016. One such change was that the NIH no longer requires prior approval to reduce effort during a no-cost extension (NCE).

Another policy document taken into consideration during RSP's review of effort policies and procedures is guidance from the National Science Foundation on the level of commitment required during a no-cost extension period. In the [Frequently Asked Questions on NSF's Revised Cost Sharing Policy, Updated January 2013](#), the NSF clarified the effort commitment required during a no-cost extension:

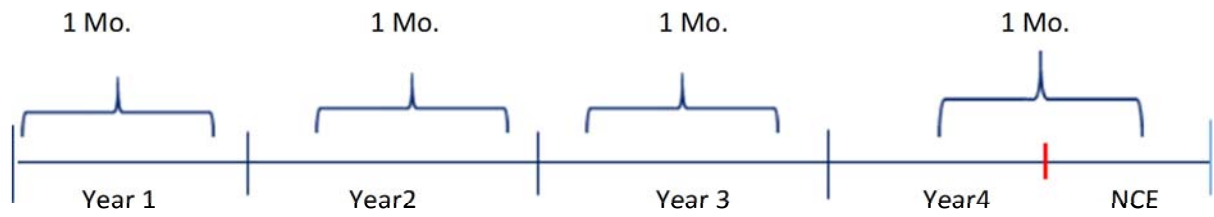
**19. My award, which funded two months of PI effort, has received a 12 month no-cost extension. However, not enough funds remain to pay all of the remaining award expenses and the additional PI effort during the no-cost extension period. Is the PI required to provide additional effort?**

Additional effort on the part of the PI beyond what was initially funded in the proposal is not implied by a no-cost extension. Generally, a no-cost extension is a rearrangement in the timing of when the effort will take place. The two-month commitment originally funded by NSF should be provided for by the awardee institution. However, if the PI was funded two months per year on a three year grant, the PI should provide six total months over the entire award period. A 12 month no-cost extension would not increase the PI effort to 8 total months. It simply provides an additional year in which the originally proposed effort is to take place.

In addition to reviewing the Uniform Guidance and NIH and NSF policies, RSP sought clarification from other federal and non-federal sponsors. Other sponsors have indicated that additional effort on the part of the PI beyond what was initially funded in the award is not implied by a no-cost extension, except for grants that have a specific minimum effort requirement as indicated in the terms and conditions of the award document. Rather, a no-cost extension simply provides additional time during which the originally proposed effort is to take place.

Visual Representation:

The graphic below illustrates the fulfillment of a one-month effort commitment over the course of a four-year grant, with a 12-month no-cost extension period added.



Updated detailed instructions, and answers to frequently asked questions, on processing no-cost extensions can be found here: <https://www.rsp.wisc.edu/awardmgt/nocost.cfm>

An additional questions can be addressed to: [effort@rsp.wisc.edu](mailto:effort@rsp.wisc.edu).