



GUIDE: Extension (Ext) Risk

Introduction

In furthering GCA's mission to achieve better internal controls while streamlining processes that reduce administrative burden, this guideline was developed to aid department and faculty members with continuations or amendments where additional funding is anticipated, but the amendment is delayed or not expected to be received for a period greater than one but typically less than three months in duration.

Definition

An Ext Risk status may be established when a department anticipates additional funding and the funding is not anticipated for one or more months.

History

It is common for a College Post Award Contact (CPAC) to request an increase to the parent budget and request the Commitment Control to be changed from Control to Track. This allows spending to continue (over the awarded budget amount) pending receipt of additional anticipated funding. CPAC personnel may often request budget increases several times before the additional funding/amendment arrives. This practice is less efficient as it requires both the CPAC and the GCA Grants Administrator/Coordinator (GCA GA) to service the project multiple times while awaiting the additional funds/amendment. To aid in the streamlining of this process, the Ext Risk guidelines are being introduced to enable greater flexibility to the department and PI while ensuring the financial risk is properly evaluated and approved by the department and dean's offices.

Guidelines for Ext Risk:

- Ext Risk is used for active/approved projects for which additional funding/amendment is anticipated.
- CPAC/PI anticipate additional funding/amendment, and the current available balance is low or fully expended. CPAC may request that the GCA GA increase the parent budget and take the project off Control (Commitment Control changed from Control to Track). Note: This request is most often made at month-end when budget errors need to be cleared expeditiously, but may also be requested at any time.
- GCA GA increases the parent budget by a minimal, necessary amount (to clear current budget errors) and changes the project Commitment Control from Control to Track.
- When the amendment is expected to be delayed more than a month, but typically less than three months, the CPAC submits:
 - A fully signed Risk Request/Approval form, with the Spending Authority Requested, Project Number Assigned, and Risk Extension box checked,

to the GCA GA within 5 business days after the initial budget increase. The Ext Risk form is signed by the principal investigator, the department chair, and the Associate Dean for Research. Signatures ensure that these individuals are aware and accept responsibility for the potential financial risk/burden in the event the amendment is not received or cancelled by the sponsor.

- The budget increase for the Ext Risk is typically \$50,000 for a period of 90 days, but the amount can be more, up to the amount for which the department is willing to risk. The total increase should include the initial budget increase. If funds exceed \$50,000 and/or the 90-day period is exceeded (or whatever the initial amount is), an updated or new Ext Risk Request/Approval form will need to be submitted to the GCA GA within 5 business days from requesting additional budget increase.

The GCA GA will:

- Update the "Project Status" on the Project GI panel from "Approved" to "Ext-Risk" to indicate the new risk status; extend the project end date by 90 days.
- Update the Total Award Panel – Award Status to "X" – to indicate "Ext Risk".
- Update the Commitment Control from "Control" to "Track".
- Update the parent budget direxp and indexp (only) to reflect the additional funding. This will allow continued operation without the need to contact GCA to increase the parent budget each time charges post. Upon receipt of funding and during modification processing,
- GCA Transactional Team: updates project status - Ext Risk (Project GI panel) is changed back to Approved.
- Updates Parent and increases child budget to reflect the modification increased amount.
- Changes Award Status from "X" (Ext Risk) to "M" (Modified).
- Updates the Commitment Control from "Track" to "Control"

In the event 90 days has passed and the additional funding has not been received by Clemson, the end date of the project may be extended. However, if more funding is needed on the Ext Risk project, a new or updated Ext Risk form will be required.

In the event Clemson is notified that additional funding will not be provided, GCA will immediately notify the CPAC, PI, Dept Chair, and ADR about this unfortunate circumstance and the project and any overage costs incurred must be transferred off the Ext Risk project within 30 days of the date of notification, or as soon as possible.