Carryover of Unspent Grant Funds During the Contract Period

PCL's fiscal year begins on July 1 and ends on June 30. Grantees must submit a proposed annual budget and budget justification to PCL by June 30 of the fiscal year for the following fiscal year. Grant managers will review and approve grant budgets, as soon as they're received, with the goal of having them finalized by late July to mid-August. Fourth quarter (Q4) invoices for the closed fiscal year are due July 31. After Q4 invoices are processed, you may have unspent funds from the previous fiscal year. PCL permits carryover funds to be added to the current year fiscal budget as described below.

A. **Unspent funds:** After your Q4 invoice has been paid, check the Q4 claim in WebGrants to see if there is an unspent balance in the previous year's budget. Compute the percentage of funds unspent of the total annual budget.

B. **Adding unspent funds from the previous fiscal year to current fiscal year budget:** You will need to request to revise your budget to add unspent funds to your current year budget. Use the approved budget and budget narrative you have from your Grant Manager and update/revise both documents to include the carryover funds. Use the budget narrative to indicate which line items were changed in the budget to include the carryover funds; highlight the changes in the narrative. If you have questions, contact your grant manager.

C. **Automatic approval to carryover up to 5% of annual budget:** Grant managers will approve all requests to revise budgets to add carryover of up to 5% of the previous year's budget.

D. **Carryover of more than 5% of annual budget:** If unspent funds are more than 5% of the annual budget, grant managers in rare circumstances may approve requests to add up to 10% of the previous year's budget to the current year budget for one-time uses on costs allowable in PCL budget guidance. In general, grant managers will not approve requests to add or expand FTE with carryover funds.

E. **Carryover of more than 10% of annual budget:** PCL will not allow carryover of more than 10% of the annual budget EXCEPT if funds budgeted to pay for a PCL required financial statement audit are not fully expended, then they may be carried over to pay remaining costs incurred by the grantee up to $15,000 in total (across 2 fiscal years) for the audit.

F. **When permitted:** Grantees may request to carry over unspent funds from year to year within a contract period. Unspent funds cannot be carried over to a new contract to provide the same or similar services.