

# ONR

March 6, 1997

**FROM:** Director, University Business Affairs  
**TO:** All Recipients of ONR Grants and Contracts

**SUBJECT:** "No Funds" Extension Policy for ONR Grants and Contracts

Last year the Deputy Chief of Naval Research wrote to university presidents and provosts concerning the importance of timely billings and the role of expenditures in the Department of Navy budget process. In conjunction with the letter, ONR made a concerted effort to start and renew contracts and grants reflecting funding levels and performance periods coinciding with the government's fiscal year; funding and performance periods extending no more than four months into the following fiscal year. While fiscal year 1996 expenditure rates improved, the need to expend research funds within the originally scheduled timeframe remains essential. Toward that goal, ONR has developed the following policy relating to issuance of "no funds" extensions:

Contract and grant "no funds" extensions will be approved on

- a. a one-time basis only; and
- b. for a period not to exceed 90 days; and
- c. where \$50,000.00 or less of obligated funds remain to be expended.

Administrative Contracting/Grant Officers located at the Regional Offices have authority to approve "no funds" extension requests falling within all of the above parameters. In other cases, where a request is outside of one or more of the above parameters, "no funds" extensions can only be approved with the concurrence of the ONR Program Officer. In all cases, for the "no funds" extension to be effective, a written contract or grant modification must be issued and signed by an Administrative Contracting or Grants Officer.

This policy is effective March 15, 1997 and applies to all ONR awards issued by ONR Headquarters in Arlington, Virginia. It does not apply to awards issued by the Naval Research Laboratory and its division at Stennis Space Center in Mississippi.

We ask that you make widespread distribution of this letter as appropriate.