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DGM Policy Alert # 2022-01
Updated October 2025

Policies and Procedures for No Cost Extension Requests

MEMORANDUM FOR: All Indian Health Services (IHS) Program Offices and Recipients of Federal financial assistance

FROM: Marsha Brookins
Director, Division of Grants Management

This Alert provides guidance to the Indian Health Service (IHS) recipients of Federal financial assistance for requesting a no cost extension (NCE) for an IHS award subject to HHS Grants Policy.

A NCE is a post-award change requiring prior approval. The one-time extension is requested no less than 10 days prior to the end of the budget period in the last year of the period of performance ([HHS Grants Policy Statement, October 2025, Section 3.1.4.1: No-Cost Extension, page 28](#) and [2 CFR § 200.308\(f\)\(10\)](#)). In cases with expanded authority, the recipient must notify the IHS in writing with the supporting reasons and a recommendation for revised period of performance at least 10 calendar days before the end of the period of performance in the original Notice of Award (NoA) ([2 CFR § 200.308\(g\)\(2\)](#)). The extension may be requested for up to 12 months for the close-out of grant activities but have typically been approved for 3 – 6 months. A no cost extension is **not** meant to just spend unobligated funds. The extension must be justified based on time required to complete existing project activities or permit the orderly closeout of the award. There can be no change in the project's currently approved scope of work or objectives, including no new project activities.

Reasons for Request

1. Additional time beyond the established expiration date is required to ensure adequate completion of the currently approved project.
2. Continuity of an IHS grant support project is required while a competing continuation application is under review.
3. The extension is necessary to permit an orderly phase out of a project that will not receive continued support.
4. The recipient must demonstrate that they have made satisfactory progress throughout the project period.

Recipient Submission Requirements

A NCE request must be submitted as an amendment through GrantSolutions. The amendment

will be reviewed by the Grants Management Specialist (GMS) and the Program Officer (PO). As with any amendments, recipients should email the GMS to notify them of the request.

To ensure a proper review and final decision, the following information must be provided as an amendment in GrantSolutions:

- A cover letter, on your organization's letterhead, signed and dated by the Authorizing Official (AO) listed on your Notice of Award (NoA) which includes:
 - The length of time the NCE will be needed, stated as a date range. For example, "We request a no cost extension from January 1, 2023 through March 31, 2023."
 - A detailed reason why the NCE is needed.
 - A detailed description of what will be accomplished during the NCE.

If you plan to use unobligated funds to cover expenses incurred during the NCE, provide a detailed explanation as to how much and for what purpose by providing:

- Scope of Work that embraces these activities/initiatives in terms of how they will lead to outcomes based on the uncompleted goals/objectives/measures of the past grant years.
- Detailed budget using Form SF-424A. Do not combine the unobligated funds to be used for the NCE with prior funds.
- Budget narrative justification for the funds.

The NCE request should be submitted by the recipient at least 10 days before the end of the project period end date; however, because prior approval is required, recipients should submit the amendment allowing sufficient time for processing as no recipient action can be taken until the amendment is approved.

If you have any questions, please contact your Grants Management Specialist or email the IHS Division of Grants Management inbox at DGM@ihs.gov.

This policy was updated to reflect the October , 2025 publication of the HHS Grants Policy Statement.