



Office of Research and Sponsored Programs Request for Advance/Pre-Award Account Policy and Procedures

INTRODUCTION

In certain situations, principal investigators have legitimate reasons for asking the University to agree to establish a restricted account for their use prior to the beginning of a project (Pre-Award account) or prior to the University's receipt of a fully executed agreement (Advance account). However, the University takes a risk in doing so because some unforeseen problem may prevent these costs from being reimbursed by the anticipated grant or contract. On the other hand, failing to establish such accounts may unnecessarily delay the start of the contract or even interfere with its successful completion. The University administration, through the Vice President for Research and Graduate Studies and the Office of Research and Sponsored Programs, will consider requests for advance/pre-award accounts on a case by case basis to weigh the need for the restricted account and the risk associated with incurring charges to that account.

Advance Accounts for New Projects

Charges incurred prior to the start date of a contract are usually unallowable because they are made before the date agreed upon in the final agreement. The establishment of an Advance account and the charging of project costs to that account might be appropriate in situations where the project start date stipulated in a pending agreement occurs before the award process has been completed, an agreement has yet to be signed by all parties, or awards or subcontracts are delayed pending finalization by the sponsor or the federal government. To avoid delaying the research, the principal investigator can request an Advance account to begin the project. The charges on this Advance account will be allowable because once the agreement is signed the start date on the agreement will coincide with or precede the effective date of the advance account and any charges incurred.

Advance Accounts for Existing/Continuing Projects

Non-competing continuations are awards for the second year or subsequent funding periods under a multi-year award for which the recipient is not competing with other institutions. Advance spending is generally not necessary for non-competing continuations because funding typically continues without interruption. However, there may be occasions when an Advance account is appropriate to continue scientific progress. The PI may request an Advance account to extend or continue an established restricted account if the renewal award is delayed or if the current year's funding is exhausted before the end the current project period.

Pre-award Accounts

Some sponsors allow charges to be incurred prior to the start date of the agreement as long as the University is willing to take the risk of not being reimbursed. Federal sponsors usually permit charges up to 90 days before the start date. When the sponsoring agency policy permits, the principal investigator may request a Pre-Award account.

POLICY STATEMENT

The University administration will allow the establishment of Pre-Award or Advance accounts under the following conditions:

- The appropriate Department Head and Dean (Center Director or Vice President in the case of University Centers) have approved the request for a Pre-Award or Advance account
- There is a reasonable expressed need by the PI to incur expenditures prior to the proposed start date (Pre-Award accounts) or prior to receipt of the executed contract (Advance accounts)
- The need to start (or continue) the project justifies whatever risk the University might take in approving the Pre-Award or Advance account
- The project proposal was approved by the university administration and the appropriate internal forms (e.g. routing, budget, conflict of interest), are on file with the Office of Research and Sponsored Programs
- There is assurance from the sponsor that the award will be made. This assurance would need to be receipt of an award notice or contract, or some other credible assurance from a responsible sponsor official that the signed agreement or official award will be forthcoming shortly
- If the request is for a Pre-Award account, verification has been obtained that the sponsor allows payment of pre-award costs with grant or contract funds
- Any required compliance approvals have been obtained (IACUC, IRB, IBC, Radiation Safety)
- For requests of Advance/Pre-Award spending above \$15,000, the Vice President for Research and Graduate Studies and the Vice President for Business and Finance have approved the establishment of the account

All costs incurred on an Advance or Pre-Award account must be in accordance with the terms and conditions of the anticipated award and must be included in the approved budget. Only in rare circumstances will summer salary for senior personnel (PIs & co-PIs) be approved for Advance or Pre-Award spending.

PROCEDURES

Submission of Forms:

To initiate a request for a Pre-Award or Advance account, the principal investigator (PI) should complete the *Request for Advance/Pre-Award Account* form. This form provides approvers with the information they need to review the request. The PI must provide adequate justification for the need for the Advance/Pre-Award account on this form. The PI should attach a copy of the project budget and highlight the categories and dollar amounts that the PI is seeking to expend through this form. The PI may also attach any additional documentation the PI believes might be helpful in the review and consideration of the request (e.g., communications from the sponsor, award lists).

The PI should forward the form for approval to the Department Head and Dean (or Center Director/Vice

President) for signature. After the form is approved by the Department Head and Dean/Director and Vice President, the PI should submit it to the Office of Research and Sponsored Programs for review.

Review and Approval of Forms:

After receipt of a *Request for Advance/Pre-Award Account* form, the Office of Research and Sponsored Programs will evaluate the request to make sure it includes the necessary information and will assess the risks and benefits of Pre-Award/Advance spending for the project. ORSP will verify that the project proposal was approved by the university administration and the appropriate internal forms (e.g. routing, budget, conflict of interest) are on file and that all necessary compliance approvals have been obtained (IACUC, IRB, IBC, Radiation Safety). They will determine that there is adequate assurance from the sponsor that the award will be made and that the grant/contract will cover the requested expenditures. If the request is for a Pre-Award account, the Office of Research and Sponsored Programs must verify that the sponsor allows payment of pre-award cost with grant funds.

If all established criteria have been met, the ORSP Director may approve establishment of an Advance/Pre-Award account up to \$15,000. If the request exceeds \$15,000, the Director of the Office of Research and Sponsored Programs will forward the request to the Vice President for Research and Graduate Studies along with a recommendation. The Vice President for Research and Graduate Studies, in conjunction with the Vice President for Business and Finance, will make the determination whether the Advance/Pre-Award account can be established.

In situations where there is more risk that funds for reimbursement to the University for Pre-Award or Advance account expenditures may not be forthcoming, a PI may be advised to seek approval from the appropriate Department Head, Dean, or Center Director to cover any shortfall from a specified account under that individual's control. The Office of Research and Sponsored Programs will contact the PI if the University is not willing to approve a *Request for Advance/Pre-Award Account* without written assurance that any shortfall will be covered by a College, Department, Center, or other specified source.

After the appropriate approvals have been granted, the Office of Research and Sponsored Programs will forward a copy of the completed and approved form to the Grants Coordinator in the Business Office with instruction to open the account for the approved amount. After assigning the account number, the Grants Coordinator will indicate the account number, the approved amount, and the account start date at the bottom of the form. He/she will then forward a copy of the form to the PI and the Office of Research and Sponsored Programs.