Section E: Account Maintenance
Policy E5: Pre-Award Expenditure Requests

PURPOSE:

To establish a policy and procedure that will outline the circumstances and other administrative matters when principal investigators (PI) need to incur expenditures prior to receiving the official award notice.

For creating a sponsored account prior to receiving the official award notice, see Sponsored Programs Policy/Procedure D1, “FRS Account Number Assignment.”

DEFINITIONS:

None

POLICY:

The university will, at its own risk, incur obligations and expenditures to cover costs prior to the receipt of the official award notice and the beginning date of the actual award. The following criteria must be met:

- the costs incurred are necessary for the conduct of the project;
- the costs are allowable under the potential award; and
- the sponsor’s written prior approval is obtained when required.

REFERENCES:

PHS Grants Policy Statement
NSF Grants Policy Manual

PROCEDURES:

1. Upon oral or written confirmation of an award from an authorized representative of the sponsoring agency, the PI may request the establishment of a sponsored account number through the submission of the “Request for Assignment of an Account Number in Absence of an Executed Award Document.” See Sponsored Programs Policy/Procedure D1, “FRS Account Number Assignment” for information on this process.

2. The department and Research Administration (RA) are responsible for monitoring these accounts to ensure timely receipt of the official award notice. Sponsored Programs (SP) - Financial Administration can place a “freeze” on the account if the possibility of funding is in jeopardy or expenditures exceed a reasonable limit.
3. Most federal agencies, under the terms of the Federal Demonstration Partnership (FDP), permit allowable grant expenditures up to 90 days prior to the effective date of an award without seeking the sponsoring agency prior approval. This includes the Department of Health and Human Services (DHHS), National Science Foundation (NSF), National Aeronautics and Space Administration (NASA), Department of Education (ED), and the Department of Defense (DOD), among others.

For awards which are given under the FDP guidelines, authority to incur pre-award expenditures up to 90 days prior to the start date of the award may be granted internally. Requests for these pre-award expenditures must be submitted through an Internal Prior Approval Request form (IPAR) - see Sponsored Programs Policy/Procedure F8.

4. A request to set up an account more than 90 days before the anticipated award start date can only be processed with the approval of the sponsor. This applies to both federal and non-federal awards.

Any expenditure that exceeds the 90-day time limit, once established after receipt of the award, must receive written approval by the sponsor or must be transferred to the guarantee account designated on the account request form.

5. If a sponsor’s guidelines do not permit pre-award expenditures, the account can be set up only after the official award notice is received.