Procedure to request preaward spending

Overview

Under limited circumstances, Principal Investigators (PIs) may request authorization to spend funds in support of a sponsored project in advance of receiving a notice of an award from a sponsor. Authorization of pre-award spending is contingent upon the following:

- An essential need to advance or commit funds prior to the receipt of an award;
- Approval of human subjects, animal and/or biosafety protocols, as applicable;
- Completion of proposal routing form and conflict of interest form;
- Certification by the Principal Investigator that the level of effort, scope, and objectives of the project as proposed or negotiated will not change;
- Certification by the Principal Investigator that any monetary loss to the campus resulting from the sponsor's failure to make the award, or from costs incurred but disallowed by the sponsor, shall be the PI's responsibility; and
- Receipt of a firm commitment by an authorized representative of the sponsor to the Office of Research Administration (ORA) that an award is forthcoming.

Pre-Award Spending - Risks, Liabilities and Limitations

The risks, liabilities and limitations associated with pre-award spending must be carefully considered prior to requesting authorization to spend funds in advance of receiving the award.

Risks: Whenever the University authorizes pre-award spending, the University is risking monetary loss. Other funding must be available to cover the risk of a delayed start date, costs disallowed by the sponsor or failure of the sponsor to make an award as anticipated.

Liabilities: Special care must be exercised in assessing the impact of pre-award spending on the legal obligations of the University prior to requesting or approving pre-award spending. The University must consider the impact of not having a fully executed grant or contract agreement on its legal obligations regarding intellectual property rights, subject injury, indemnification, etc.

To minimize the legal liabilities, approval of pre-award spending is prohibited for agreements with for-profit entities.

March 2015
Limitations: A sponsor's policies, the terms and conditions of the anticipated award, and campus policies and practices determine whether or not pre-award spending or pre-award activities are allowable. Restrictions differ depending on the funding agency and the type of award anticipated (i.e., grant, cooperative agreement, or contract).

Submission and Routing of Request for Preaward Spending Form

The PI should complete the Request for Preaward Spending form, explaining the essential need, the amount of funds and the period of time requested for pre-award spending. The PI must indicate the fund source to be charged in the event that the anticipated award is not received or charges placed against the preaward account are deemed unallowable. The PI must also sign and date the form, thereby certifying that the level of effort, scope and objectives of the project as proposed or negotiated will not change. If the fund source belongs to someone other than the PI, that person must also sign and date the form.

Once the form is completed and signed, it may be submitted to ORA to secure a firm commitment from the sponsor's authorized representative. ORA will analyze the request to verify all administrative requirements have been met.

If the sponsor provides a firm commitment, a project number will be established and the PI may begin spending. If the sponsor cannot provide a firm commitment, pre-award spending will not be approved, unless the department chair/director or dean, as appropriate, is willing to accept the increased risk.