**45.05 -- Early Set-up and Advance Funding of Sponsored Project Budgets**

**January-December 11, 2018, 2012 (rewrite)**

**A. General.**

**A-1. Early Setup.** Frequently, a Principal Investigators (“PIs”) may be informed that a sponsor has made an award to the University, but the University has either not received the award document, or an agreement has not been fully executed related to the sponsored project (see B-2). In such circumstances, a PI (or unit/college) may request that the Office of Sponsored Programs (OSP) set up a grant budget code early ("early setup"). By requesting that OSP create an "early set-up" budget, project expenses can be processed using what will become the permanent budget number, thus allowing the PI to start work on the project and eliminating the need for cost transfers at a later date and allowing the PI to start work on the project.

**A-2. Advance Funding.** Frequently, for an existing project, the PI may be informed that the sponsor intends to issue an amendment to add time, funding, or both, but the amendment has not yet been received and/or fully executed (see B-2). A PI may request that OSP budget funds in advance to allow expenditures beyond the current allocation or extend the termination date of the grant account, until an amendment is received ("advance funding"), thus eliminating By requesting permission for "advance funding" of the project budget(s), project expenses can continue on the existing budget number(s) which eliminates the need for cost transfers at a later date and allowing the PI to continue working on the project without interruption and mitigates the risk associated with transfers.

**B. Definitions.**

**B-1. Award Document or Notice of Award:** Any of the various funding vehicles used by external sponsors to indicate that the sponsor is making a commitment to fund a proposed scope of work. These may take the form of:

- a grant notice, which may or may not require signature by the University and/or additional signatures;
- a contract or formal agreement, requiring the signatures of one or more parties, execution by the University and the sponsor;
- an award letter, which may or may not include a check payment in advance; or
- a federal non-assistance contract.
For the purposes of this policy, generally, federal non-assistance type federal contracts and other types of non-assistance agreements are effective as of the date of the final signature. Are not eligible for an early-setup budget unless an exception is given by the authorized official of the University.

B-2. Fully-Executed Award or Amendment: Defined as: An agreement or amendment which has all of the required, authorized signatures by those individuals authorized to sign, for both the University and the sponsor. For the sponsor, the authorized signatory is typically the granting or contracting officer; for the University, the authorized signatory is the Director of the Office of Sponsored Programs (OSP) or her/his authorized designee.

C. C-Policy.

C-1. Early Setup. As long as an agreement is not effective as of the date of the final signature, an early set-up budget may be requested and the PI may start the research project prior to receipt and execution of the award. Early setup budgets are generally established for up to ninety (90) days and twenty-five percent (25%) of the expected first year’s annual funding increment.

- a) For projects that are direct federally funded grants and cooperative agreements, the Vice President for Research and Economic Development (VPRED), or his/her delegate, may provide the funding guarantee on the early setup budget.
- b) For non-direct federally funded projects (flow-through) or cooperative agreements and contracts (at the discretion of the Director of OSP or his/her delegate), the unit/college must provide the funding guarantee on the early setup budget. An early setup request can be processed with appropriate unit/college approvals on the Early Setup Request Form. As part of this process a budget must be identified by the unit that can be used to absorb any incurred expenditures if the project is not awarded.
- c) For all other sponsored program contracts, including industry sponsored contracts, OSP will perform a risk evaluation will be required to be completed by OSP and a decision will be made on a case-by-case basis with respect to allowability to determine if an early setup is reasonable. Upon OSP approval, the unit/college must provide the funding guarantee on any early setup budget of an early setup.
• **d)** Situations that arise outside of these parameters will be evaluated and a determination made on a case-by-case basis by the Director of the OSP, or her/his authorized designee.

• **e)** If the project is subject to any additional compliance obligations, including but not limited to such as those subject to oversight by the IACUC (see APM 45.01), IBC (see APM 35.11, APM 45.20, and 45.23), IRB (FSH 5200), Radiation Safety Committee (FSH 1640.71) or financial conflict of interest (FSH 5600 and 5650), if the project is subject to any compliance terms, such as IACUC, IBC, IRB (FSH 1640.12 and 1640.54), or financial conflict of interest (FSH 5600 and 5650), all associated requirements must be completed and approved via the appropriate authority before project work can begin and before an early setup budget will be established. The above list is not exhaustive.

When there are compliance terms such as IACUC, IBC, or IRB (FSH 1640.12 and 1640.54), financial conflict of interest (FSH 5600 and 5650), etc., governing the project, any associated requirements must be completed before project work can begin and before an early set-up budget will be established.

**C-2. Advance Funding.** Principle Investigators, departments, units, institutes and colleges should request advance funding of an existing project, to continue the next phase of work, prior to project end-date or the expenditure of all allocated project funding for that project period, when an amendment has not been received and fully-executed by OSP. Advance funding is generally budgeted/authorized normally approved for up to not more than ninety (90) -days and twenty-five percent (25%) of the next expected funding increment amount. For direct federally funded grant projects, the Vice President for Research and Economic Development will provide the advance funding guarantee, as long as the unit/college provides the email template certification, using the template made available by the Office of Sponsored Programs, that confirms that the PI is compliant with all deliverables and protocols per Section D-2.

To initiate advance funding approval, see D-2 below.

a) **By providing submitting an advance funding request, authorization, the unit/college is requesting that OSP allow expenditures beyond the current allocation or end-date of the grant account for federal or state awards (but not contracts), only when the agency has indicated in writing to the University that it intends to issue an amendment for the proposed addition of time, funding, or both. If an amendment is not**
received to continue the project, all expenditures will be transferred to the unit/college guarantee source and the project account will be closed.
b) Situations that arise outside of the parameters cited in this policy will be evaluated and a determination made on a case-by-case basis by the Director of the OSP or her/his authorized designee.
c) If the project is subject to any existing additional compliance obligations, such as those subject to oversight by the IACUC (see APM 45.01), IBC (see APM 35.11, APM 45.20, and 45.23), IRB (FSH 5200), Radiation Safety Committee (FSH 1640.71) or financial conflict of interest (FSH 5600 and 5650), and the amendment that gives rise to the advance funding request either extends, alters, or creates new compliance obligations, all such research compliance requirements must be met before any work with respect to such obligations may be undertaken.
d) If advance funding is not approved by the University unit and OSP not by both the University and sponsor, the department/Pi must cease all project-related work and expenditure spending until such a time that an amendment is received and executed.

Situations that arise outside these parameters will be evaluated and a determination made on a case-by-case basis by the Director of the OSP or her/his authorized designee.

D. Process/Procedures.

D-1. Early Budget Set UpRequest. The If the PI (or unit/college) needs to have a budget number established for payroll or other startup expenditures prior to the receipt of a fully-executed award, the PI and/or the Departmental Grant Administrator (DGA) must submit a Preliminary Early Budget Setup Request Form to OSP for review and approval. The department must indicate that either a VPRED guarantee is being sought (only PI signature required) or that the College/Unit is providing the guarantee (PI, Chair and Dean signatures required). If approved, the preliminary budget setup will automatically be established at 25% of each primary expense code budget line of the proposed funding increment, unless the department requests a different budget breakdown on the form. This form is available on the OSP website.

D-2. Advance Funding Request. Written all project advance funding approval is to be provided written to OSP from the D-dean, P-provost,
dean, institute director, or equivalent, or an approved designee, prior to expenditures in deficit or past the end-date of a continuation project, confirming the following:

a) The project is in compliance with all project deliverables, including technical reports;
b) All project compliance protocols, if any, are up to date; and
c) that providing confirmation that the unit/college understands they will be responsible for incurred costs, on a specified budget number, should the amendment not be received and/or approved. All incurred costs outside of the project period or in excess of the awarded funding amount are the responsibility of the department or college.

For sample confirmation, please email unit/college certification and approval text, as well as additional details on advance funding (and how it differs from an early setup) please visit the Departmental Grant Administrator (DGA) tab of the OSP Website.

D-32. Non-Receipt of Award Within 90 Days. Barring extenuating circumstances and the approval decision of the Director of OSP or his/her designee to do otherwise, if an official award document or notice of an award, or amendment is not received within 90 days of the early set-up establishment or advance funding approval, all expenditures must be cost transferred by the unit/college to the unit’s unrestricted previously identified guarantee budget source identified in section C and per D-2, above.

E. Information. Any questions regarding the early setup of a sponsored project or advance funding of an existing project should be addressed to the Office of Sponsored Programs Post Award Unit at 208-885-6651 or postaward@uidaho.edu by emailing the OSP Post Award team.