

Advance Account (formerly “at-risk”) Authorization Procedures

Advance accounts provide Principal Investigators with an opportunity to initiate sponsored projects and begin incurring associated expenses prior to institutional acceptance of an award by the University at Albany, Office for Pre-Award and Compliance Services (PACS) up to a maximum of 90 calendar days prior to award start date. Note, however, that any expenditures that precede the award are solely at the financial risk of the unit requesting these expenditures (i.e., PI/PD's school or department).

The University, through the Division for Research, will consider requests for Advance (“at-risk”) Accounts on a case-by-case basis to weigh the need for the account and the risks associated with incurring charges to that account. There are risks inherent with establishing Advance Accounts because problems may arise that could prevent the costs from being reimbursed by the anticipated grant or contract. Alternatively, failing to establish such accounts may delay the start of the contract or interfere with its successful completion.

Opening an Advance Account aids in the correct assignment of costs for a given grant or contract. In requesting and accepting an Advance Account, the requester (PI, department or school) assumes the financial risk in the event the award is not made, not accepted, or if the terms of the award once made deem certain expenditures to be unallowable. Advance Accounts should be used prudently. The only costs that may be charged to the account are those incurred:

- Within the project period
- In accordance with applicable regulations, e.g. OMB Uniform Guidance 2 CFR §200, sponsor specific regulations, University policy; and,
- are included in the approved budget.

The school/department/center/institute must provide a guarantee account number to cover expenses in the event a project is not funded as anticipated. The guarantee account(s) being used must be a departmental account or a discretionary account.

All supporting documentation showing the Sponsor’s intent to fund the project at UAlbany should be collected and submitted to PACS for first review and approval. Emails, letters of intent, budget requests, etc., are all acceptable forms of supporting documentation. In addition, PI must submit budget/spending plan for the period covered under the requested advance account.

If specific expenditures would otherwise require prior approval, the department/investigator must obtain written prior sponsor approval before incurring the cost. Sponsor prior approval is also required for any costs to be incurred more than 90 days before the beginning date of the initial budget period of a new or competing continuation award (grantor policy and individual grant restrictions apply).

Note -- Advance Account funds may not be used for outgoing subcontracts/subawards to other institutions.

It is the responsibility of the Principal Investigator and his/her designee(s), if applicable, to keep expenditures to essentials during this period in which the University is at risk.

Procedures:

1. Principal Investigator will complete a Request for Advance Account Form and obtain required school/department/center/institute approvals/signatures, and submit to his/her [PACS Research Administrator \(RA\)](#).
2. The need to open the account should outweigh the risk the University takes in opening the account and should be documented in the request via the “*Why is Advance Account Needed?*” box on the Request for Advance Account form.
3. If there are any compliance approvals required for the project (e.g., IACUC, IRB, COI, etc.), the approvals must be secured by the PI/Department, and submitted along with the request to open the Advance Account.
4. All costs identified for the Advance Account must be in accordance with the terms and conditions of the anticipated award/contract and must be anticipated within the proposed budget.
5. After the Advance Account has been established, PACS will monitor and determine at periodic intervals if the award/contract is still anticipated/forthcoming and confirm if the account should remain open. Ninety days (90 days) after the establishment of the account, if no award/contract has been received, a new Request for Advance Account Form must be submitted and processed. If award/contract is not received and/or expenses not authorized, PI/department will absorb all costs incurred with the Advance Account.
6. It is the responsibility of the Principal Investigator and his/her designee(s), if applicable, to keep expenditures to essentials during this period in which the University is at risk.

Failure to follow these procedures may result in audit findings, suspension of sponsored activities, closer monitoring by the sponsor, delays in final payments, and/or other enforcement actions imposed by the sponsor. This policy applies to all federal and non-federal sponsor activities.

In many cases, PACS will be able to establish an Advance Account request because the University has an established history with the sponsor, and the issues to be reviewed prior to executing the requisite agreement are routine. There are some cases, however, where significant negotiation of areas of concerns to the PI, the department and/or school, and the University may be required. In these instances, prior to establishing the account, the PACS office representative will identify areas of concern and the associated financial and non-financial risks, to the extent these risks can be identified and ensure that PI, his/her department or school, and University are aware of the risks to be accepted.

Examples of negotiation issues include, but are not limited to, control of scope of work and key personnel; publication restrictions; confidentiality requirements; lack of criteria for acceptable performance; intellectual property terms; termination and default clauses; and indemnification.

In requesting and accepting an Advance Account on behalf of a PI, the department or school assumes the financial

risk in the event the award is not made, not accepted, or if the terms of the award deem certain expenditures to be unallowable. PACS will use its best efforts to finalize an award, but cannot guarantee a successful outcome of any award negotiation.

Advance Accounts will be established 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 an Advance account.
- There is a reasonable expressed need by the PI to incur expenditures prior to the proposed start date or prior to receipt of the executed contract.
- The need to start (or continue) the project justifies the risk the University might take in approving the at-risk account.
- The project proposal was approved by University administration and the appropriate internal forms (e.g. routing, budget, conflict of interest, etc.) are on file with the Office of Pre-Award and Compliance Services.
- There is assurance from the sponsor that the award will be made (i.e., receipt of an award notice, contract, or some other credible assurance from an authorized sponsor official that the signed agreement or official award will be forthcoming shortly.)
- If the request is for a Pre-Award account, PACS verification has been obtained that the sponsor allows payment of pre-award costs with grant or contract funds.
- All required compliance approvals have been obtained (IACUC, IRB, COI, IBC, Radiation Safety, etc.)
- 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 be approved for an Advance Account or Pre-Award spending.
- If specific expenditures would otherwise require prior sponsor approval, the PI must obtain written prior sponsor approval before incurring the cost. Sponsor prior approval is also required for any costs to be incurred more than 90 days before the beginning date of the initial budget period of a new or competing continuation award (grantor policy and individual grant restrictions apply).
- The Advance Account may be inactivated if the notice of grant award is not received within 90 days of the anticipated start date. If award is not received within 90 days, a new Advance Account Request must be made.