



San Francisco
State University

Office of Research and Sponsored Programs

Fund Advance Policy & Procedure

Issued: January, 2007

Implemented: March, 2007

POLICY OVERVIEW

Fund Advances, in the past known as Pre-Award Spending accounts, provide Principal Investigators (PI's) with an opportunity to initiate sponsored research projects and begin incurring project expenses prior to institutional acceptance of an award from an external sponsor.

There are two types of Fund Advances:

1. Pre-Award Spending Account–Used to create an account for the purpose of incurring pre-award costs up to 90 calendar days prior to the award start date. This applies only to federal sponsors who allow pre-award spending. All terms and conditions of the sponsor apply to pre-award expenditures.
2. Advance Account--Advance Accounts may be used to establish:
 - an account for a new grant for which the award letter has not yet been received
 - an account for the new budget year of a continuing grant
 - an account for a contract which has not yet been finalized

Requests for Fund Advances must be approved by both the college Dean and the Associate Vice President (AVP) for Academic Affairs. In many cases, the Dean and AVP of Academic Affairs will approve a request for a fund advance because of an established relationship with a sponsoring agency and/or because the sponsor has indicated a high degree of confidence that the project will be funded.

PROVISIONS

Violations of this Policy

The PI must establish an account before incurring expenses. ORSP will not authorize retroactive expenditures/commitments or transfer of expenditures when an Advance Account has not been authorized. Such expenditures become the responsibility of the college.

PI's should not charge expenses to other unrelated accounts for expenses that they know should be charged to an account that has not yet been established.

Time Period

Initially, advance accounts will be established for 120 calendar days. Extensions of advance accounts beyond 120 calendar days must be approved by the Dean and the Associate Vice President of Academic Affairs.

Amount

Fund Advances should be used prudently. Generally, such accounts are used to cover the salary and benefits costs of key personnel and supplies, such as lab supplies, that are essential to the project. No charges for additional salary or any supplementary compensation, are allowed under this mechanism.

PI's should submit a draft budget and short budget justification with the request for a Fund Advance.

Use of Advance Accounts

Costs incurred must be expended within the approved project period, must be in accordance with the terms and conditions of the award, and must be included in the approved budget.

PI's must be in compliance with all other sponsor and University policies before incurring expenses, including Human Subjects, Animal Subjects, and Conflict of Interest policies.

Employees on Advance Accounts should not be appointed past the end date of the account.

Advance Accounts should not be used to pay the PI's summer or other intersession salary.

Responsibility

In requesting and accepting a fund advance account on behalf of a PI, the college assumes the financial risk in the event the award is not made or not accepted; if the start date of the award differs from the start date of the Advance Account; or if the terms and conditions of the award deem certain expenditures to be unallowable.

The college is responsible both for *direct and indirect costs*.

As stated previously, the college will also be responsible for expenditures and commitments made by the PI before an advance account has been established.

The Associate Vice President (AVP) of Academic Affairs, in consultation with the ORSP Grants Administrator, will also review and approved requests for Fund Advances. Issues or concerns will be brought to the attention of the Dean.

PROCEDURE

The PI should initiate a request for a Fund Advance at least 30 days prior to the requested start date of the account. The electronic form may be found at:

<http://www.sfsu.edu/~orspwww/postaward/forms/fundadvance032007.pdf>

1. The form should be forwarded to the PI's College Dean for approval, and then to the AVP for Academic Affairs.
2. The PI may also attach to the form any supporting documentation that would be helpful to the Dean in making a determination to support the request. Supporting documentation may include copies of communication with the sponsor, a list of projects that have been recommended for funding, and/or a short history of the project and the nature of the relationship with the sponsor.

3. If the request is approved by the college Dean and the AVP for Academic Affairs, the request is forwarded to the appropriate Grants Administrator in ORSP. The Grants Administrator contacts the PI to set-up the budget and establishes the account.
4. If an award is received, or the contract approved, the PI works with the Grants Administrator to move the account from advance status to regular status. The PI revises the budget to reflect the total award amount and make other modifications as necessary. The Grants Administrator will notify the Dean that the award has been received.

If the account approaches 120 days, and no award letter is received, the Grants Administrator informs the PI, the Dean and the AVP of Academic Affairs. The PI may request an extension. The same approval process is followed as the original request.

If no extension is approved, the account is deactivated on the 121st day. The Grants Administrator initiates the Journal Entry to transfer expenditures from the Advance Account (or Pre-Award Spending Account) to the Dean's college account.

The Grants Administrator notifies the ORSP Personnel Manager that the Fund Advance account is inactive so that employee appointments may be terminated.