At-Risk Requests

<u>Purpose</u>: To create an active account string for a sponsored project prior to institutional award acceptance to allow project charges to be incurred at the requesting department's own financial risk, in accordance with **University policy**.

<u>Point of Contact for At-Risk Requests</u>: Assigned ORA Grants & Contracts Team representative ("GCO/AMS").

Benefits

- Allows critical project spending to begin on schedule despite delays in sponsor award notice or execution
- Records and tracks allowable expenditures on a sponsored string
- Allows for monitoring of compliance issues such as IACUC, IRB, COIs, or International Collaborations
- Avoids cost transfers and after the fact reallocation of expenses

Considerations

- Establishment of at-risk accounts is not a guarantee of sponsor award at the anticipated start date
- Requesting departments assume management of the financial risk for their respective charges in the event the award is not issued, not accepted, or the award terms deem certain expenditures to be unallowable
- For contracts and other awards under negotiation, contact GCO/AMS to discuss prospects of reaching agreement
- Discuss any special circumstances or exceptions with your GCO/AMS <u>prior</u> to entering request in GMAS
- If it is determined, due to excessive risk or required approvals, that an at-risk account cannot be set up, **ORA recommends not incurring expenses unless and until those issues are resolved**

At-Risk Accounts <u>CAN</u> be established for:	At-Risk Accounts <u>CANNOT</u> be established for:
- New Award Main Accounts (0001/0101) - New Internal Part of Accounts and Interfaculty Involvement Accounts - Dept. approval required from each participating ORG (add signatures to GMAS request). - New Account Year for Awards Under Year Logic - Main and Internal Part of Accounts (0201, etc.) - Some NIH Fellowships (process pending)	- Subcontracts Issued Out - Subrecipients must set up their own at-risk accounts to incur spending following their respective institutional processes - As the pass-through entity, we can provide status of pending award or confirm intent to issue sub if award is accepted - Extending Dates or Adding Dollars to Existing Task Logic Accounts

Account Set Up Details

<u>START DATE</u>: Establishment of at-risk accounts should not be confused with pre-award spending. Incurring pre-award costs prior to the official start date may require prior sponsor approval and should be considered when establishing at-risk accounts.

<u>ACCOUNT LENGTH AND DOLLARS</u>: Per University guidance, the recommended length of account is 120 days or less with proportional dollar allocation.

<u>IDENTIFY DISCRETIONARY DEFAULT ACCOUNT</u>: Determine the department non-sponsored account that will cover at-risk expenses should the project not be funded or accepted, or should some pre-award expenses be disallowed.

<u>APPROVALS</u>: International Collaboration and Activities (ICA) and OAIR Conflict of Interest approvals should be cleared for account setup. IRB and IACUC requires either a study approval or a description of the work that must be performed prior to receipt of approval, along with written PI confirmation that no human or animal subject work will be performed prior to receiving the appropriate approval. Documentation can be emailed to GCO/AMS or uploaded to request repository.

<u>DOCUMENTATION AND JUSTIFICATION</u>: If the award/contract has not yet been received, documentation is needed from the sponsor confirming a definite intent to issue an award notice and, ideally, the anticipated start date. This could include, for example, an email from an **authorized official** of the sponsor confirming an award will be issued. For the initial year of a competing segment, the sponsor must provide the notice of award from the prime sponsor with their intent to fund. Well-scored proposals are <u>not</u> a guarantee of funding or timing of an award, and <u>cannot</u> serve as the basis for an at-risk account. However, at-risk setup is permitted for NIH competing renewals where we've been **asked to submit JIT materials** (as prime or sub).

Because work (and spending) typically cannot begin on Industry Sponsored Research Agreements (ISRAs), federal contracts, and most Other Transaction Agreements (OTAs) until the award agreement is signed, ORA will require sponsor confirmation that the start date can be backdated in order to authorize an at-risk account for these award types.

<u>ENTER GMAS REQUEST</u>: A formal request must be routed and signed in GMAS. See GMAS Guidance by Other Request Type.