

PROCEDURE FOR ESTABLISHING PRE-AWARD ACCOUNTS

PURPOSE: To establish and document a procedure to address expenses to be charged on projects in advance of contract or grant award.

RESPONSIBILITY: Principal Investigator, Office of Sponsored Programs (OSP), Comptroller's Office, Department Business Manager, Deans and Directors.

OBJECTIVE: This procedure is to acknowledge risk associated with UMBC incurring expenses for projects without legal contracts or grants in place. It is understood that commencing work without legal authorization can place UMBC in financial jeopardy. No sponsored research projects should be performed without the proper approvals of UMBC management and the assignment of a pre-award account number. In the event UMBC does not receive the anticipated grant or contract and expenses have been charged, the originating unit's resources will be used to reimburse the UMBC central accounts for any deficit.

PROCEDURE:

- 1. Instructions:** The Principal Investigator and Department Chairperson or direct reporting line shall preliminarily determine if it is in the best interest of UMBC to proceed with work in advance of an expected contract or grant. The request should only be made only if contract or grant award is imminent and delay in proceeding would harm the objectives or mission of the program.
- 2. Pre-award account request form:** The request form must be completed and coordinated by the unit's Business Manager and be approved by the Principal Investigator, Department Chair or equivalent, and respective Dean or reporting line. Upon completion and approval, the request form should be delivered to OSP for review and submittal to the Comptroller's office. Upon receipt, the Comptroller's office will create the account number and provide it to OSP and to the appropriate administrative unit.
- 3. Monitoring:** The Comptroller's office will monitor the expenses on the pre-award account for a ninety (90) day period and, if no award has been received, may freeze or close the account after consultation with OSP. Ultimate responsibility for managing dollar limitations on expenditures resides within the administrative unit.
- 4. Deficits:** In the event of any financial deficit resulting from failure of UMBC to receive the contract or grant, the Department or unit performing the effort will reimburse the UMBC central accounts from their DRIF account.