

FLORIDA STATE UNIVERSITY

POLICY 7A-1

AUTHORIZATION FOR ADVANCE ON  
EXTERNALLY-FUNDED PROJECTS

Responsible Executive: Gary K. Ostrander, Vice President for Research

Approving Official: Gary K. Ostrander, Vice President for Research

Effective Date: May 1, 2006

Revision History: Readopted: August 1, 2014, Revised February X, 2019

**Deleted:** ADVANCES FOR EXTERNALLY-FUNDED PROJECTS¶ AND INITIATING WORK WITHOUT AN AWARD¶

**I. Introduction**

**Deleted:** I.

This document establishes a policy for advance spending, when necessary, to insure the timely start-up or uninterrupted continuation of externally-funded projects prior to the receipt of a fully executed agreement or amendment.

**Deleted:** advances

**Deleted:** of

**Deleted:** University before

**Deleted:** is

**Definitions**

New Award includes new awards received and competitive renewal continuation awards (the first year of multi-year projects).

Incrementally funded continuation awards includes non-competitive renewals.

**Applicability**

**Moved (insertion) [1]**

This policy is applicable to externally-funded projects where fully executed award documents have not been received.

**Deleted:** . Adherence to

**Deleted:** should also limit any University liability for worked performed by non-employees and subcontractors

**II. Policy**

**Deleted:** II.

If the University does not have a fully-executed award, no work is to be initiated without an advance account authorized by Sponsored Research Administration, or the FSU Research Foundation as appropriate (hereinafter referred to as SRA/FSURF). Costs incurred prior to SRA/FSURF approval of an advance account will not be allowed to be charged or transferred to the anticipated new or continuation project budget, or any other sponsored project (excluding SRAD funds).

**Deleted:** and subcontractors cannot be authorized to start work

**Deleted:** Services

**Deleted:** SRS

**Deleted:** SRS

**Criteria for Authorization**

**Moved up [1]: Applicability¶**

Advances may be authorized for new awards or continuation awards. To safeguard the University against financial losses, the following criteria shall govern the authorization for advance accounts.

**Deleted:** This policy is applicable to externally-funded projects that have been approved for funding and/or extensions for which fully-executed award documents have not been received. ¶

**Deleted:** amendments

**Deleted:** requests

- a. The University must have received written or verbal assurance from the sponsor that

**Deleted:** a.

a program or activity has been recommended for or approved for funding.

**Deleted:** funding, with a recommended start date, end date, amount of initial obligation of funds, project budget (if different from the proposal), and the anticipated receipt date of an award document

b. Any delay in initiating or continued spending on the project may adversely impact the program or significantly increase the cost.

**Deleted:** b.

c. For new awards and competitive renewals, Department Chair and respective Dean must approve the advance request. This approval is not required for incrementally funded continuation awards.

**Deleted:** continuing critical program requirements beyond

**Deleted:** approved budget period or amount

**Deleted:** Critical program requirements include but are

**Deleted:** limited to:

d. Departments must provide financial backing for the direct cost amount to be advanced. The department is advised to limit its exposure to risk by limiting the amount of advance and/or the period of the advance. (Financial backing is not required for incrementally funded continuation awards but the Department still assumes the risk for any costs incurred prior to the receipt of executed award.)

**Deleted:** (1) The continuation of essential program employees to avoid losing experienced or uniquely qualified personnel under intermittent funding conditions; ¶  
(2) Urgent expense requirements (purchasing, travel, etc.) of the program which require immediate action. ¶  
c. The department shall assume the risk by providing

**Deleted:** of only

### Responsibilities

a. The PI is responsible for ensuring that an advance account is established prior to initiating any work or incurring any project costs.

**Deleted:** If only advance time is requested, the department must assume the risk by providing financial backing of only the *direct* cost amount incurred during the approved advance time period.

b. The PI is responsible to ensure that any compliance approvals (such as IRB or ACUC) are in place prior to any related work beginning. (Approval for an Advance Account does not waive the requirement for these approvals.)

**Deleted:** The department will be required to back direct costs only, not the associated F&A.

**Deleted:** a.

**Deleted:** shall be

c. The Department of the PI assumes full risk for all direct costs incurred prior to the receipt of an award. (If the award is not received, the Department is responsible for any direct cost expenditures that have been incurred.)

**Deleted:** is not initiated

**Deleted:** , including

**Deleted:** authorizing subcontract work, without an approved advance.

d. The department is ultimately accountable and responsible for the authorization and use of the advance account and is, therefore, responsible for insuring the following:

**Deleted:** b.

**Deleted:** temporary

(1) That all program charges are proper, allocable, and allowable under the approved program/activity;

**Deleted:** (1)

(2) That charges are essential and cannot be deferred until the fully-executed award is received from the sponsor;

**Deleted:** (2)

**Deleted:** absolutely

(3) That close contact is maintained with SRA/FSURF and the sponsor to insure the timely processing and receipt of the award or amendment; and

**Deleted:** (3)

**Deleted:** SRS

**Deleted:** .

(4) If a fully-executed award or amendment is not received within the advance period and/or authorized funding level has been exhausted, the PI must stop work or request and receive approval for an additional advance according to the requirements prescribed above.

**Deleted:** (4)

**Deleted:** The department is solely at risk for costs incurred on advances.

**Deleted:** c. SRS

- e. SRA/FSURF is responsible for authorizing advance accounts in compliance with sound management practices and appropriate financial considerations of the University.
- f. SRA/FSURF, in conjunction with the PI, shall be responsible for the coordination, monitoring, and follow-up with external sponsors to insure the timely processing and receipt of the fully-executed award or amendment.

**Deleted:** ¶  
d. SRS

### Monitoring of Continuation Awards

Although unanticipated sponsor delays in the processing of continuation awards are beyond the control of the University, it is essential that PIs minimize unnecessary delays by their timely submission through SRA/FSURF of any proposals or progress reports required for continued funding.

**Deleted:** Principal Investigators

**Deleted:** SRS

### Risks Associated with Use of Advance Accounts

- The award may not be issued or may be issued at a date later than anticipated. Expenses occurred earlier than the awarded start date (or a sponsor allowed preaward spending period) will be not be allowed on the project budget, or any other sponsored project (excluding SRAD).
- The University may not be able to accept the award if the terms are unacceptable and the sponsor refuses to change them.
- Initiating work (performing services and/or delivering work product) may be construed as automatic University acceptance of the award terms and conditions, resulting in the University having a poor negotiating position.

**Deleted:** Advances

**Deleted:** <#>For cost reimbursable awards, costs may be disallowed if they are incurred outside the approved period of performance or budget.¶

**Deleted:** <#>The sponsor may decide to not issue an award.¶

### Special Circumstances

- Certain awards allow the University to authorize the expenditure of preaward costs (costs to be incurred within the 90-day period before the official start date). If preaward costs are requested by the PI and the award document has not been received by SRA/FSURF, this Policy applies. If the award has been received by the University, the PI may request approval for preaward costs using the FSU Prior Approval Request Form and this policy will not apply.
- At the discretion of the Office of the Vice President for Research, if backing funding is to be provided by a non-FSU source, those funds may be required to be deposited into the FSU Sponsored Research Trust Fund.

**Deleted:** <#>If the University does not have a fully-executed award, no work is to be initiated and subcontractors cannot be authorized to start work without an advance authorized by SRS/FSURF. Costs incurred prior to SRS/FSURF approval of an advance will not be allowed to be charged or transferred to the anticipated new or continuation project budget, or any other sponsored project. ¶

**Deleted:** SRS

**Deleted:** (e.g., FSU Foundation),

### III. Legal Support, Justification, and Review of this Policy

**Deleted:** III.

Fla. Stat. 1004.22.

These policies will be reviewed periodically and updated when necessary.

Gary K. Ostrander, Vice President for Research

August 1, 2014