

**ORA-01-04.01      Definitions**

Pre-Award Costs	Those costs that are incurred and charged to a grant account prior to receipt of an official award notification from the Sponsor. Many Federal agencies allow spending to occur up to 90 days before the official start date.
Underwrite	An underwrite is a commitment to make other funds available to cover costs that are incurred on a grant account in the event that the anticipated additional funding is not received.
Preliminary Notification	Communication from a Sponsor that indicates an award is forthcoming.
Incrementally Funded Award	An award that only authorizes spending of a portion of the approved award budget. This can be a multi-year award that only funds one year at a time or one that only provides a pre-determined percent on a scheduled basis.
Alternate Account	A non-grant account that has sufficient funds available to which any charges can be transferred if the award or additional funding is not received from the Sponsor.

**ORA-01-04.02      Reason for Policy**

When there is written evidence or preliminary notification from a Sponsor that a new award will be issued or that additional funds will be made available on an extant award, it is in the best interest of the project that an account be set up or continuation approved prior to receipt of the official award document. Setting up or extending a grant account allows charges to be made against that account thereby eliminating the need for cost transfers, which create an audit risk, when the award or additional funding is officially received.

The university takes a risk when it allows spending without a firm commitment or agreement from the Sponsor. We do so at the request of the PI and therefore the PI or his/her department or college must bear the responsibility for expenses in the event the anticipated funding does not materialize. To insure expenses will be covered, an alternate account number must be provided that can be used if necessary.

**ORA-01-04.03      Pre-Award Request Procedure**

To process a **Pre-award Request** for a new award, complete the Pre-Award Request form and submit to ORA. You must provide:

1. the anticipated start date and first year budget amount
  - Federal awards from agencies that allow 90-day pre-award spending can be approved for up to 90 days prior to anticipated start date. Any charges made more than 90 days prior to the final official state date will be moved to the alternate account.
  - Awards from other Sponsors can only be approved from the anticipated start date. Any charges made prior to the final official state date will be moved to the alternate account.
2. a copy of the preliminary notification from sponsor
3. a copy of the first year budget
4. reason for request and budget items/amounts that need to be processed
5. identify an alternate account number to which expenses can be transferred if the award is not forthcoming
6. signature of Principal Investigator (PI) and the account holder of the identified alternate account, if other than the PI.

### **ORA-01-04.03 Procedure**

To process an **Underwrite Request** for an extant award that is funded incrementally, complete the Underwrite Request form and submit to ORA. You must provide the following:

1. a copy of Sponsor communication if amount is not indicated in original award notice
2. identify budget items/amounts that need to be processed
3. identify an alternate account number to which expenses can be transferred if the additional funding is not forthcoming
4. signature of Principal Investigator (PI) and the account holder of the identified alternate account, if other than the PI.

Once the completed Pre-award or Underwrite Request Form is received in the ORA, the Sr. Grant Coordinator will review the request and, if approved, a grant account will be set up or continuation processed.