

**At-risk Accounts vs. Pre-award Expenditures**

This chart explains the difference between At-risk Accounts and Pre-Award Expenditures.

	<b>Pre-Award Expenditures</b>	<b>At-Risk Accounts</b>
<b>Type of GMAS request</b>	<b>“Change to an existing segment”</b>	<b>“Internal Request”</b>
<b>Explanation</b>	<p><b>Pre-award expenditures</b> are costs incurred prior to the actual start date of an award. These expenses are deemed necessary to the project; they must be allowable, allocable and reasonable in accordance with the principles of the Uniform Guidance 2 CFR 200; and are typically incurred 90 days prior to the start date of the award.</p> <p>Federal awards under Federal-wide Research Terms and Conditions* often allow pre-award costs to be incurred within 90 days prior to the award start date under expanded authorities. If the award does not fall under expanded authorities, the request would be submitted to the sponsor for approval or the grant/contract will be renegotiated.</p> <p><i>*Federal-wide Research Terms and Conditions (formerly referred to as “expanded authorities”) are the operating authorities provided by federal agencies to grantees under certain research grant mechanisms that waive the requirement of sponsor prior approval for specific actions.</i></p>	<p><b>Advance accounts</b>, also known as "at-risk" accounts, provide Principal Investigators (PIs) with an opportunity to initiate sponsored research projects and begin incurring associated expenses prior to receipt of an award or institutional acceptance of an award. Advance accounts allow PIs and departments to record and track expenditures and minimize the need for cost transfers.</p> <p>The department assumes full responsibility for the expenses in the event that a project is not funded or accepted on behalf of the institution.</p> <p>Once the final award notice is received, if the start date of the award is later than the start date on the at-risk account and pre-award expenditures are not allowed, then the department is responsible for the expenditures on the account for the unfunded period.</p> <p>Although the period of an at-risk account is determined by the department, the usual time frame ranges from 120 days up to a year. After a year it is assumed the project will not be funded by the sponsor.</p>
<b>Time Period</b>	The time period is based on sponsor guidelines. The time period for a request that falls under Federal-wide Research Terms and Conditions is up to 90 days before the awarded start date.	The time period of an at-risk account is determined by the department. At-risk accounts are generally closed after a year if not funded.

## At-Risk Accounts vs. Pre-Award Expenditures

*User Role(s): Central, Department Administrators*

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<b>GMAS Action</b>	In GMAS, when awarding pre- award expenditures, the only change made to the account is the start date of the IDC rate on the Accounts screen based on their best estimate of when the project's start date will be. Otherwise, the account should already be set up based on the award notice and a fund should already be created.	In GMAS, when awarding an at-risk account request, an account will be created. On the Accounts screen, the account must be indicated to be at-risk. The start/end dates and amount at-risk will populate from the request.
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**MYTHS**

<b>MYTH:</b>	Pre-award expenditures can only be requested on Federal Awards that fall under Federal-wide Research Terms and Conditions.
<b>TRUTH:</b>	Pre-award expenditures can be requested or negotiated in different ways. If the award falls under Federal-wide Research Terms and Conditions, then an internal GMAS request through expanded authorities is the correct way to request and award. If the request is not under Federal-wide Research Terms and Conditions, the request can be a normal request to the sponsor. The pre-award expenditure start date can also be negotiated into the grant/contract without a request to the sponsor. In all the cases listed, the only change in the revision is to the start date on the indirect cost rate page. All other dates remain the dates of the actual award.
<b>MYTH:</b>	Approvals are all needed before awarding an at-risk account request.
<b>TRUTH:</b>	For the most part, approvals (such as the Participation Agreement, disclosure of Conflict of Interest, and Cost Share Forms) are needed at the time of at-risk account set-up. However, there are instances where approvals are not necessary at the time of setting up the at-risk account. Some approvals (such as IRB, IACUC, and Biohazards) can remain "Pending" with written approval from the appropriate office stating that no work is to be done regarding the needed approval, that the approval is still under review, and that permission is granted on a provisional basis. All documentation from the appropriate office should be scanned into the approval's document repository. When the award comes in, the approval must be obtained before award set-up.
<b>MYTH:</b>	A pre-award expenditures request can be made in GMAS before we receive the award.
<b>TRUTH:</b>	Pre-award expenditures can't be requested until we have the award and know the award start date. The department is responsible for any charges made based on anticipation of an approved pre-award period.