

Keck School of Medicine

Internal Policy on Requests for Advance Funding

Introduction

The University and the Keck School of Medicine (KSOM) acknowledge that there may be occasions in which the principal investigator (PI) of an approved sponsored grant or contract desires to begin performance on the grant or contract before the funds are released from the sponsor (For further information refer to Sponsored Projects Manual, <http://dcg.usc.edu/IPFP/comply.cfm>). The Keck School endeavors to accommodate this situation by approving advance funding under certain terms and conditions. This policy and its procedures are provided to facilitate the advance funding request and to meet internal control processes.

Definitions

“Advance Funding” refers to funding needed to commence or continue work on a grant/contract on or after the sponsor approved start date and when the Notice of Award (NOA) has been delayed by the sponsor.

“Pre-Award Costs” refers to funding needed to commence work on the grant/contract prior to the sponsored approved start date and when the Notice of Award (NOA) is expected. For example, pre-award funding is normally allowable under most federal awards, and may be incurred at the grantee’s own risk without agency approval if such costs 1) are necessary to conduct the project and 2) would be allowable under the grant, if awarded, without grantor prior approval. In all pre-award situations, the Grantor expects the Grantee to be fully aware that pre-award costs result in borrowing against future support and that such borrowing must not impair the grantee’s ability to accomplish the project objectives in the approved time frame or in any way adversely affect the conduct of the project. All pre-award funding requires the explicit approval of the sponsor to allow such costs.

Scope

This policy applies to all KSOM principal investigators. Approved awards are those in which the PI has received notification from the awarding agency that an award or subcontract is imminent and the formal notice of grant award has not yet been received.

Policy

Advanced funding may be requested when there is documentation that the grant or contract award is imminent so an account can be established before work begins, thus avoiding the need for cost transfers.

Advanced funding is limited to salaries and fringe benefits of key and support personnel, materials and supplies, equipment, travel, and consultants. Advance funding for subcontracts will not be approved, however, a letter of intent can be issued by the Department of Contracts and Grants to enable the subcontractor to request advance funding from their own institution. Advance funding requests shall not exceed 90 days unless there are special circumstances that are well justified and approved by the Department Chair. If the request is for pre-award costs for an ongoing project due to overspending, a plan of correction for reducing costs in the upcoming year will be requested. In addition, requests for pre-award costs shall not exceed 90 days, but this period may be shorter depending on the sponsor’s policy on pre-award costs.

In the event that the sponsor fails to make the funds available for the approved grant/contract, advanced funds that were expended may be recouped from the PI’s Department at the discretion of the Dean. In some cases, a non-sponsored back-up account number may be requested for this purpose prior to advance funding approval.

Procedure

Principal Investigators make requests for advance funding using the attached *Request for Advanced Funding Form*. Attach the written documentation from authorized agents of the sponsor stating that the award is imminent and obtain the approval of the Department Chair for requests that exceed 90 days or \$500,000.

The completed *Request for Advance Funding Form* is submitted to the KSOM Research Administration Office (KAM 200), for review. Approval of the request will be based on a determination of the likelihood of funding from the sponsor and/or the extenuating circumstances for the delay in receipt of the award. Approval of the request is made by the Dean or their delegate(s).

After review of the request, the PI will receive a written or e-mail notification of the outcome. If the request is approved, the signed *Request for Advance Funding Form* will be sent to the Department of Contracts and Grants to allow the set-up of a new account or augment the budget of an existing account. If the request is denied, the PI will be notified along with a brief explanation for the denial.

For questions regarding this policy, please contact Janet Stoeckert, Director of Research Administration at (323) 442-3568 or janet.stoeckert@usc.edu.