Assignment of Advance Account

Overview

Advance accounts, 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 institutional acceptance of an award by the appropriate pre-award sponsored research office, OSP/Awards Management for University area awards, Sponsored Programs Administration (SPA) for HMS awards, and Office of Financial Services (OFS) for SPH awards. Advance accounts allow PI's and departments to record and track expenditures and eliminate the need to charge other unrelated accounts.

Requesting an Advance Account

A PI initiates a request, usually in GMAS, and submits it to his/her department or school, which in turn requests an advance account from the appropriate pre-award office on the PI's behalf.

Advance Account Request Form

Establishing an Advance Account and Possible Negotiation Issues and Risk

In the majority of cases, OSP/AM, SPA or OFS will establish an advance account upon request because the University has an established history with the sponsor, and the issues to be reviewed prior to executing the requisite agreement are routine. There are some cases, however, where significant negotiation of areas of concerns to the PI, the department and/or school, and the University may be required. In these instances, prior to establishing the account, the pre-award office representative will identify areas of concern and the associated financial and non-financial risks, to the extent these risks can be identified, to ensure the PI and his/her department or school are aware of the risks they are accepting. The pre-award director may also review the request to assess risk before the account is established and may share his or her views with the PI and department/school before approving the request.

Examples of negotiation issues include, but are not limited to, control of scope of work and key personnel; publication restrictions and confidentiality requirements; lack of criteria for acceptable performance; intellectual property terms; termination and default clauses; and indemnification.

In requesting and accepting an advance account on behalf of a PI, the department or school assumes the financial risk in the event the award is not made, not accepted, or if the terms of the award deem
certain expenditures to be unallowable. The pre-award office will use its best efforts to finalize an award, but cannot guarantee a successful outcome of any award negotiation.

**Time Period**
Ordinarily, an account may be in advance status no more than 120 days from the start date of the advance account budget period. With the exception of financial aid or scholarships (e.g., Jacob Javits Fellowship, Federal Pell Grant Program, NSF Graduate Research Fellowship Program) and grants transferred into Harvard (i.e., awards new faculty bring with them from another institution), advance accounts that have not been converted to active status within 120 days of the start date of the budget period may be subject to an interest charge on expenses.

**Using Advance Accounts**
Advance accounts should be used prudently. Only those costs that are incurred:

- Within the project period
- In accordance with applicable regulations, e.g., OMB Uniform Guidance 2 CFR 200, PHS Grants Policy Statement, sponsor specific regulations; and,
- Depending on the sponsor, have been included in the approved budget should be charged to the account.

As stated previously, any expenditure incurred while an account is in advance status is made at the department's or school's risk. At the time of initial account request, the department or school designee is required to agree in writing to cover any expenditure if the award is not made or if sponsor awarded conditions preclude reimbursement for expenses that precede the award start date or are otherwise deemed unallowable and to provide an account number should it be necessary to transfer expenses.

**Pre-Award Spending and Advance Accounts**
While PI's may also use the Advance Account Form (AAF) to request pre-award spending, i.e., approval for costs to be incurred prior to the starting date of the award, authorization of pre-award spending should not be confused with authorization of an advance account. The AAF can now be used to request simultaneous approval of pre-award spending, an allowable cost on many federal awards, and establishment of an advance account. Before incurring pre-award expenses, the PI should consult with his/her pre-award sponsored research representative to confirm whether pre-award expenses are permissible under the applicable sponsor regulations or terms.

**Monitoring Advance Accounts**
On a monthly basis OSP will provide each school and the three pre-award offices with a report that lists all advance accounts and includes account number, PI, core award number (if available), sponsor name, projected budget period, funding amount authorized for pre-award expenses, and cumulative expenditures. Based on these monthly reports, accounts in advance status beyond their effective dates will be identified by the appropriate pre-award sponsored research representative for discussion with
the PI and school or department to identify reasons for the delay and possible solutions. Throughout the advance account period it is the responsibility of the PI, department/school and pre-award office to keep each other apprised of developments regarding award notification, acceptance, and negotiation.

Removing an Account from Advance Status
Upon acceptance of the award by the University, the account will be removed from advance status by the pre-award office. The department/school is responsible for removing expenditures from the advance account if the award is not made, not accepted, or if the terms of the award deem expenditures to be unallowable. If expenditures are not removed from the advance account within 30 days of written request of their removal, OSP/Financial Services will transfer the expenditures to the designated account provided by the department/school at the time the advance account was established.

Advance Accounts for National Institutes of Health (NIH) Non-Competing Continuation Awards
In the case of NIH non-competing continuation awards, the NIH has committed to fund the project for multiple years provided the research is going well and funding is available. Recognizing this, upon department/school request the pre-award office will issue advance account numbers for NIH non-competing grants that are assigned a new account number for each non-competing year.

At least four months (120 days) prior to the next budget period start date, the designated sponsored research administrator within the school or department will receive a report from the pre-award office listing NIH non-competing awards. The department and PI will have 30 days to request an advance account, which will be established by the pre-award office no less than 60 days prior to the next budget period start date.

Advance Accounts for All Other Awards
All requests must be submitted in GMAS or by using the Advance Account Request Form (AAF) accompanied by a copy of the approved proposal and, if available, the award document, unless these documents are on file in the pre-award office.

Signature Requirements
Unless specified below, prior to submission to the pre-award office, signatures of the PI/Project Director, Department Chair/Desigee or Research or Department Administrator, and the Dean/Desigee or Lab Director are required on the AAF. The pre-award office will review and respond to the request within five (5) business days of receipt.

- In GSE, the signatures of the PI/Project Director, the Department Chair/Desigee, and Director of Sponsored Projects are required.
- In FAS, no additional signatures are required.
- In SEAS, the signatures of the PI/Project Director and Associate Dean for Administration are required.
• In HMS and the School of Dental Medicine, only one signature is required at the department level, in addition to the signature of the Dean/Designee.

• In SPH, the signature of the Research or Department Administrator is acceptable only if this individual serves as the department chair's designee.

• In UHS only the signature of the PI/Project Director is required.

Revision History

2/26/04 – Approved by SPOC
7/25/13 – Added to OSP website in PDF format
12/2/14 – Updated Uniform Guidance references