

New York University
School of Medicine

Policy # 3.6

Establishment of Advance Accounts

Responsible Office: Finance/Sponsored Programs
Financial Services

Original Issuance: 7/19/2006

Responsible Official: Anthony Marsicano

Last Revision: 7/19/2006

Contents:

- I. Policy Summary & Purpose
 - II. Policy Statement
 - III. Procedures
 - IV. Special Situations/Exceptions
 - V. Attachment
-

I. Policy Summary & Purpose

This policy and its procedures is intended to assist when due to issues out of our control, the SOM experiences delays in receiving fully executed sponsored project award notices for grants, contracts, etc. This leads to the late establishment of chartfields(accounts), sometimes after the effective date of the research, which leads to other complications, such as resource and allocation issues, and after-the-fact cost transfers. This policy describes how, under certain circumstances, we will accommodate the establishment of a chartfield, given some reasonable assurances that the award is forthcoming. This will enable more timely research start-up and avoid some of the unnecessary resource and allocation issues, which unnecessarily adds to the administrative burden of the project.

The purpose of this policy is to avoid the sometimes, unavoidable delays due to administrative differences between the SOM and our sponsors. These delays add complexities to the grant management process, and stifle the research process. By establishing chartfields under the right conditions, we can keep these disruptions to a minimum.

II. Policy Statement

The SOM requires a series of documents and approvals to be in place before an awarded agreement is authorized and established in our systems. These documents and approvals come from our Principal Investigators, administrators, and from the sponsors. These forms and approvals are the source of validation in the assignment of chartfields, which enables work to begin along with incurring allowable spending in accordance with

agency and SOM guidelines. NYUSOM is now streamlining this process to allow establishment of chartfields for delayed agreements, with minimum paperwork, provided certain assurances are in place.

III. Procedures

When a Principal Investigator(PI) receives notice from the sponsoring agency that an award is forthcoming, the expectation is that the required fully executed documentation would then be received by our Sponsored Programs Administration(SPA) office. When this doesn't occur in a timely fashion, it slows down the award process as well as the research. At this time, if a PI feels he/she has sufficient documentation from the sponsor, even if its not the executed agreement, they, along with the department administrator may elect to file a "Request for Authorization of an Account/Restricted Account" form. This is to request the establishment of a chartfield in absence of a fully executed agreement when the likelihood of receiving the award is high. This form, fully approved by the PI and Department Chair, along with available documentation should be forwarded to the SPA office. The SPA office will review for sufficient documentation to support establishing this advance account, and then forwards to finance for approval. Once approved, the chartfield will be established following the usual authorization process. For tracking purposes however, the award amount recorded and processed will be for one dollar. This will not effect your spending on the award, but will reflect a deficit to budget status once spending occurs, and act as a tracking mechanism for finance to monitor these chartfields for follow-up. The awarded budget will be restored as soon as the notice of grant award is received. For internal purposes, no revenue will be recognized on SOM financial statements. It is expected that these awards will be fully funded within three months of establishing an advance account. If for some reason, the award is not received, the department is responsible to cover all costs incurred to date, and must eliminate any deficit condition. Monthly reports will be run to monitor activity on these accounts. On a quarterly basis, review of all advance accounts will be performed. This will include communication with the department for continued assurances of a pending award. Lack of continued assurances will result in the account being closed out and follow-up communication with the department for resolution of the deficit.

(Note: To continue spending beyond three months will require additional documentation demonstrating continued progress and assurances toward receiving the award.)

IV. Special Situations/Exceptions

There are times when the SOM receives a fully executed agreement, but the award has specific restrictions, such as the requirement for special IRB approval. In some instances, there may be extensive delays in receiving the necessary approvals, while there may be allowable research, which can be accomplished, which is unrelated to the restrictions. This form can be used to give assurances that the allowed spending will not be in the restricted categories. This approval to incur costs only in unrestricted categories remains in affect until all the required approvals are received.

V. Attachment

"Request For Authorization Of An Advance/Restricted Account"

**NEW YORK UNIVERSITY SCHOOL OF MEDICINE
REQUEST FOR AUTHORIZATION OF AN ADVANCE/RESTRICTED ACCOUNT**

Date _____ Principal Investigator _____
Department/Institute Center: _____
Project Title: _____
Sponsoring Agency: _____ Agency Grant #: _____
Budget Period: _____
SPA #: _____ Fund #: _____

TYPE OF REQUEST:

Advance Account (start date to coincide with anticipated grant start date):

Requested/anticipated project Start Date: _____ Estimated Award Amount: \$ _____

The Start Date should correspond to the anticipated grant or contract start date. Expenditures using this authority are made at the Department/Institute/Center's risk.

Advance Account w/Pre-Award Costs (start date earlier than anticipated grant start date):

Requested pre-award Start Date: _____ Estimated Award Amount: \$ _____

The Start Date must be less than 90 days prior to the anticipated grant or contract start date. Expenditures using this authority are made at the Department/Institute/Center's risk.

Restricted Account:

Restricted accounts may be authorized for grants and contracts issued with restrictions, or issued without completed approvals. A restricted account may be established **ONLY** for unrestricted expenditures – restricted activities may **NOT** commence until approvals have been issued and the restriction(s) listed.

IRB Approval

IACUC Approval

IBC Approval

IRB Other

Explain request below. Use continuation pages, if necessary.

ASSURANCES:

1. The signature of the Principal Investigator provides assurance of the following:
 - For Advance Accounts,
 - The sponsor has indicated that an award is pending
 - All regulatory requirements have been met and approvals received
 - All expenses charged to the account will be allowable and allocable for the project
 - For Restricted Accounts,
 - The award has been received from the sponsor
 - The PI has applied for the approvals (IRB, IACUC, IBC etc) necessary to lift the restriction
 - The project includes activities that have not been restricted
 - All expenses charged to the account will be allowable, within the restrictions, and allowable for the project
2. The *signature of the Department Chair* signifies that the request has been reviewed and that the representations of the PI are accurate. The Chair's signature also represents commitment to cover all expenses charged to the account in the event an award is not made, or which are not allowable due to date or other restrictions (including any restricted expenses that might incorrectly be allocated to the account).

**ADVANCE/RESTRICTED ACCOUNTS MAY BE AUTHORIZED FOR NO MORE
THAN 90 DAYS**

Signature of Principal Investigator

Department Chair: _____ Date: _____
Finance: _____ Date: _____
SPA Signatory Authority: _____ Date: _____