

## **PRE-AWARD PROCEDURES**

### **1. Pre-Award Costs: Federal Grants**

Most federal sponsors allow grantee institutions to incur pre-award costs up to 90 days prior to the start date of a grant award. Any pre-award costs Rush University Medical Center (RUMC) incurs in the pre-award phase of a grant would be at our own risk. The Senior Research Administrator (SRA) or the Senior Director of Research and Clinical Trials Administration (RCTA) must approve the establishment of a fund for pre-award costs on a new or competing grant award up to 80% of the anticipated award. Prior to the SRA's review and approval of pre-award costs, the Director of Sponsored Research Projects will complete the following procedures:

- Verify sponsor will fund the grant and sponsor allows pre-award costs.
- Verify Start Date with the sponsor.
- Confirm that Animal Subjects and/or Human Subjects approved protocols are in place
- Receipt of a written commitment for an alternate non-sponsored activity fund to cover costs should grant award not be received.
- Verify that adequate funds are available in the alternate fund.
- Obtain approval of the Chairman.

### **2. Pre-Award Costs: Subawards**

RUMC collaborates with other institutions on their federal and non-federal grant awards. This process is formalized through the execution of a subaward agreement by both the prime grantee and the subrecipient. The issuance of the prime grant award may be delayed by the sponsoring entity; and, in turn, the subaward agreement to RUMC may also be delayed.

#### **A. New and Competing Grant Awards**

Any costs RUMC incurs prior to the receipt of a fully executed agreement are at the institution's own risk. The SRA or Senior Director of RCTA must approve any commitment for pre-award costs on a new or competing subaward agreement. Prior to SRA review and approval of pre-award costs, the Director of Sponsored Research Projects will complete the following procedures:

- Verify that the prime grantee intends to fund the subaward and that sponsor allows pre-award costs.
- Obtain the approval of the Chairperson.
- Verify start date with the prime grantee.
- Confirm that Animal Subjects and/or Human subjects approved protocols are in place.

- Receipt of a written commitment for an alternate non-sponsored activity fund to cover costs should grant award not be received.
- Verify that adequate funds are available in the alternate fund.
- Obtain approval of the Chairman.

Once the information is obtained and pre-award costs are approved, a request should be sent to Fund Accounting to establish a new fund.

#### B. Non-Competing Grant Awards

Thirty days prior to the termination of a subaward, the Director of Sponsored Research Projects will contact the prime grantee institution to determine their intent to continue the subaward into the next year of the grant. If the prime grantee institution intends to renew the subaward the fund will be extended for another year allowing routine financial activities to continue on the fund. The Director of Sponsored Research Projects will follow up with the prime grantee institution on a monthly basis until a fully executed amendment to the subaward agreement is in place.

The National Institutes of Health (NIH) is one of many federal agencies typically allowing grantee institutions to incur pre-award costs; the NIH policy on pre-award costs is attached as a reference (Attachment I). A list of federal agencies that allow pre-award costs under Expanded Authorities is also attached (Attachment II).

## **Attachment I**

### **NIH Policy on Pre-award Costs**

A grantee may, at its own risk and without NIH prior approval, incur obligations and expenditures to cover costs up to 90 days before the beginning date of the initial budget period of a new or competing continuation award if such costs:

- are necessary to conduct the project, and
- would be allowable under the grant, if awarded, without NIH prior approval.

If specific expenditures would otherwise require prior approval, the grantee must obtain NIH approval before incurring the cost. NIH prior approval is required for any costs to be incurred more than 90 days before the beginning date of the initial budget period of a new or competing continuation award. Grantees may incur pre-award costs before the beginning date of a non-competing continuation award without regard to the time parameters stated above.

The incurrence of pre-award costs in anticipation of a competing or non-competing award imposes no obligation on NIH either to make the award or to increase the amount of the approved budget if an award is made for less than the amount anticipated and is inadequate to cover the pre-award costs incurred.

NIH 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.

## **Attachment II**

### **List of Federal Agencies**

The following federal agencies allow the grant to approve costs incurred within 90 days of a grant award date at the grantee's risk:

Department of Health and Human Services  
    National Institutes of Health  
    Food & Drug Administration  
National Science Foundation  
Department of Energy  
National Oceanic & Atmospheric Administration  
Office of Naval Research  
National Aeronautics & Space Administration  
Air Force Office of Scientific Research  
Army Research Office  
Education Department  
US Department of Agriculture