

UC Santa Barbara Policy and Procedure

Research Circular C.1 Policy on Expenditures against Pending Contracts and Grants

Contact: Office of Research, Sponsored Projects

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Research Circular C.1 Policy on Expenditures against Pending Contracts and Grants

I. Scope

The principal investigators of proposals submitted by UCSB for extramural funding may under limited circumstances request permission to spend funds in advance of the University's receipt of an anticipated award in support of the project.

II. Policy

A. General Statement

Under certain limited circumstances, a principal investigator of a research, training, or public service project may request permission to spend funds in advance of the University's receipt of an anticipated award in support of this project. The principal investigator must first demonstrate that an *essential need* exists to commit funds in advance of receipt of the award. A *firm commitment* must then be obtained from the sponsor (either a governmental, private, non-profit or for-profit sponsor) that it intends to award a contract or grant in support of the project. Finally, an *existing source of funds* must be identified to cover the risk of a delayed start date for the anticipated award or any other such action by the sponsor that results in a loss of anticipated funds.

B. Essential Need to Spend Funds in Advance

The determination of an essential need to spend funds in advance of receipt of an award relies primarily on the judgement of a project's principal investigator. Projects anticipating renewal or continuation awards can have an essential need to retain experienced project personnel as employees, and thus a request may be made to spend salary and fringe benefit funds in advance. In the case of a new project, an essential need might relate to the initiation of work by a certain date to meet project objectives, or to purchase a piece of equipment that may otherwise be unavailable. In such cases, the sponsor's policies should be reviewed to determine whether pre-award spending is allowable under the terms and conditions of the anticipated award.

C. Firm Commitment

The term "*firm commitment*" has no legal definition, but serves as an indicator of a sponsor's intent, such as when University personnel are advised by authorized representatives of sponsor agencies that a contract or grant will be forthcoming, and the only delay is a ministerial one of document processing. It is the responsibility of the Office of Research to confirm that a firm commitment has been obtained from an authorized official of the sponsor.

D. Existing Source of Funds

Spending funds in advance of the receipt of an award is done solely at the University's own risk. No automatic provision exists to cover losses resulting from the failure of a sponsor to award all or part of the anticipated funds. To minimize the risk to the University, department chairs, ORU directors, deans and/or vice chancellors endorsing requests to spend in advance of the receipt of an award must identify an appropriate source of existing funds under their control that can be used to cover any unexpected losses.

III. Responsibilities

A. Responsibilities for Expenditures against Pending Contracts and Grants

The Principal Investigator must first demonstrate that an essential need exists to commit funds in advance of the receipt of the award. The determination of an essential need to spend funds in advance relies primarily on the judgement of a project's principal investigator. The principal investigator is also responsible for assuring that all compliance approvals (e.g. human subjects, animal subjects, biosafety, and conflict of interest approvals, as applicable) have been obtained.

Department Chairs, Organized Research Unit (ORU) Directors and/or Provosts and Deans of Colleges and Schools (as applicable): By signing the UCSB/OR Form 203, the Department Chairs, ORU Directors and/or Provosts and Deans, have identified an appropriate source of existing funds under their control that can cover any unexpected losses.

The Office of Research is responsible for confirming that a firm commitment has been obtained from an authorized official of the sponsor. The Sponsored Projects Team is responsible for review of the RAS and for confirming that all compliance approvals have been obtained. Final approval or disapproval of the request comes from the Vice Chancellor or designee.

IV. Procedures

Approval to expend funds against funds against pending awards is requested on UCSB/OR Form 203, "Request for Approval to Spend Funds (RAS)."

A. The RAS form is completed and signed by the requesting principal investigator, department chair/ORU director, and dean/vice chancellor, as outlined in the form's instructions, before submitting the form to the Office of Research. By signing the RAS form, the principal investigator assures that all compliance approvals (e.g. human subjects, animal subjects, biosafety, and conflict of interest approvals, as applicable) have been obtained.

B. Upon receipt of the completed RAS form, the Sponsored Projects Team will:

1. Confirm receipt of a firm commitment from the sponsor.
2. Confirm that all compliance approvals (e.g. human subjects, animal subjects, biosafety, and conflict of interest, as applicable) have been obtained.
3. Verify that pre-award spending authorization, as applicable, is allowable pursuant to the sponsor's policies.

C. Final approval or disapproval of the request is made by the Vice Chancellor for Research or designee.

- D. The Office of Research notifies the requesting department of approval or disapproval of the RAS, and transmits the approved request to the Extramural Funds Accounting unit of Accounting Services and Controls.

V. References

- A. By-Laws and Standing Orders of The Regents 100.4 (n)
B. University of California Contract and Grant Manual, Chapter 6
C. Memorandum dated April 14, 1980, as amended August 26, 1980, from President Saxon to Chancellors: Expenditures Against Firm Commitments Under Contracts and Grants.

VI. Appendices

- A. UCSB/ Office of Research Form 203, "Request for Approval to Spend Funds (RAS)."



Michael Witherell
Vice Chancellor for Research

Appendix A
**OFFICE OF RESEARCH – SPONSORED PROJECTS
 REQUEST FOR APPROVAL TO SPEND FUNDS (RAS)**

Principal Investigator(s):

Administering Department:

Project Title:

OR Record #:

Sponsor:

Contact person:

Extension:

1. Anticipated Award type will be: *(check one)*

- Grant
 Cooperative Agreement
 Cost-Reimbursement Contract
 Fixed-Price Contract
 Other Transaction Agreement

2. Anticipated Award will be: *(check one)*

- Renewal
 New
 Continuation
 Supplement

3. Indicate current sponsor award number *(if applicable)*:

4. Current UCSB Account number *(if applicable)*:

Fund number *(if applicable)*:

5. Anticipated Award Begin date:

End date:

Anticipated Award Funds: \$

6. Approval is requested to spend \$

for the period beginning

and ending

7. Does this RAS include a request for pre-award spending?

Yes

No

Pre-award Begin date:

Pre-award End date:

8. Description of request and justification of need to spend and the firm commitment from Sponsor (attach pages, if necessary):

CERTIFICATIONS AND APPROVALS:

In accordance with University policy, an urgent need exists to expend funds prior to receipt of a fully-executed award.

PRINCIPAL INVESTIGATOR

DATE

I concur with this request, and I (check one) will provide/ am unable to provide funding for losses incurred as a result of pre-award spending.

DEPT. CHAIR OR ORU DIRECTOR

DATE

I approve this request, with the understanding that (check one) the Department Chair will provide funding for losses incurred/ I will provide funding for losses incurred.

DEAN OR VICE CHANCELLOR

DATE

OFFICE OF RESEARCH USE ONLY:

Confirmation of firm commitment from sponsor:

SPONSORED PROJECTS OFFICER

DATE

- REQUEST APPROVED
 REQUEST DISAPPROVED

CHANCELLOR'S DESIGNEE

DATE

OFFICE OF RESEARCH – SPONSORED PROJECTS
REQUEST FOR APPROVAL TO SPEND FUNDS (RAS)

INSTRUCTIONS FOR PREPARATION OF “REQUEST FOR APPROVAL TO SPEND FUNDS” (RAS)
(UCSB/OR Form 203)

This form is to be used to obtain approval to spend funds for an extramurally funded project prior to the receipt of an award. Conditions governing the use of this form are set forth in UCSB Research Circular C.1. Once you have completed the form, please send it to the Sponsored Projects unit in the Office of Research, 3227 Cheadle Hall, Mail Code 2050. If you have any questions, you should contact the Sponsored Projects Team assigned to your department.

Top Section: *Enter general information about the project:* Indicate the name of the principal investigator and the administering department for the anticipated award. Provide the complete title of the project. Provide the OR record number established for the project proposal, and the full name of the sponsor from whom the award is anticipated (e.g. National Science Foundation, Department of Energy, State of California) Provide the name and telephone extension of the individual who may be contacted for questions regarding this request.

Item 1. Indicate whether the anticipated award will be a grant, cooperative agreement, cost-reimbursement contract, fixed-price contract or Other Transaction agreement.

Item 2. Indicate which one of the four types of award is expected: *New*, or an original award; *Continuation*, or an award for a follow-on budget period within an approved project period; *Renewal*, or a new award for continued support of an existing project; *Supplement*, or an augmentation of funds within a budget period.

Item 3. If this request is being submitted for an ongoing project, indicate the current award number assigned by the sponsor.

Item 4. If this request is being submitted for an ongoing project, indicate the current UCSB account and fund number.

Item 5. Indicate the anticipated period of performance for the pending award, as well as the anticipated total amount of funding (direct and indirect costs) to be provided by the sponsor.

Item 6. Indicate the exact amount of funds being requested for spending prior to receipt of the anticipated award, and the exact period during which these funds will be spent.

Item 7. Indicate if this request also includes a request by the principal investigator for pre-award spending from the sponsor (including grantee-approved pre-award spending requests) and provide the requested begin and end date for pre-award spending.

Item 8. A specific justification is required for the funds that are being requested for spending prior to receipt of an anticipated award. This should cover not only the items for which funds will be spent (e.g., salaries, supplies, equipment, etc.), but the “urgent need” that requires spending prior to the receipt of the award. For example, interruption of work on a project may affect its completion, and thus funds must be spent in advance of receiving an award to retain existing staff and acquire laboratory supplies. Also, indicate the nature of the “firm commitment” that the sponsor has given with respect to making an award. Specify the name and title of the individual making the commitment, the date when this occurred, and the UCSB staff to whom the commitment was conveyed. Provide any additional information that would be useful to evaluating this request.

Certifications and Approvals. The principal investigator must sign the certification regarding the existence of an urgent need to spend funds. The principal investigator’s Department Chair or ORU Director will then review the request and indicate, by signing the statement of concurrence, *whether the Department will or will not provide funding to cover costs in the event an award is not received for the amount or period anticipated.* The request should then be forwarded for review to the Dean of the principal investigator’s College or School (or in the case of ORUs the Vice Chancellor for Research); the Dean indicates approval by signing the statement of approval, and *indicating whether the Department Chair or the Dean will be responsible for providing funding in the event the anticipated funds are not received.* All certifications and approvals must be completed before submitting this form to the Office of Research.

Office of Research Use Only. Sponsored Projects staff will then confirm the “firm commitment” of the sponsor and will ensure that any compliance approvals (e.g. human subjects, animal subjects, conflict of interest etc.) have been cleared before submitting the form to the Chancellor’s designee for final review and approval. Once approved, the form will be sent to Extramural Funds Accounting to have an account and fund number assigned.