

## PRE-AWARD COSTS

Pre-award costs are project specific expenses incurred prior to the acceptance of an award and issuance of an award notice. Federal grant awards normally allow for up to 90 days of pre-award costs. Non-federal awards and contracts don't automatically allow for pre-award spending, so sponsor approval may be required prior to incurring any costs. In order to expend on a pre-award basis there are two mechanisms available to you.

- When the award is new and is in the negotiation stages, or if an award is expected, but not yet received (this includes awards where we need to account for each year separately) you would use the Advanced Account form to request a chart string. Once the award has been received and finalized, the Advanced Account is "converted" to a standard account.
- On multiple year awards when pre-award costs are needed prior to the issuance of the continuation notice and all of the reporting requirements have been met, OSP can extend the time and funds on the existing chart string for up to 90 days. Departments can make this request via email stating the time and dollar amount requested. Once the award notice is received, the full time and funding will be obligated.

The Advance Account is the mechanism by which pre-award costs are incurred. OSP evaluates Advanced Accounts on a monthly basis to ensure that risks associated with these types of accounts are minimized.