

Pre-Spending on Sponsored Research Agreements

Responsibility

Responsible McCormick Official: Associate Dean Eric Perreault
Responsible Office: McCormick Office of Research Administration
Last Updated: November 9, 2022

Overview

Principal Investigators who want to begin work on a new sponsored research project prior to the formal institutional acceptance of an award or amendment by the Sponsored Research office (SRo), must have an approved pre-spend request by the McCormick Office of the Dean and SRo. Work cannot proceed, and expenses cannot be incurred, unless a pre-spend is approved or the sponsored agreement is fully executed. Charging pre-spend expenses to chart strings other than PI discretionary accounts (such as department suspense accounts) is not an allowable alternative.

The McCormick Office of the Dean encourages the use of approved pre-spend accounts. In many cases, a pre-spend account can be a necessary and useful tool to begin, or continue, research. However, pre-spend accounts inherently come with risk as the terms of the award have not been finalized or extended, and the funds have not been received by the University. The financial risk associated with pre-spending resides with the PI if for any reason the award is not made or not accepted or if the terms of the award deem certain expenditures to be unallowable. The McCormick Office of the Dean will not cover any deficits arising from pre-spend expenses.

The primary factors considered by the Office of the Dean for approval are:

1. The level of risk associated with the request
2. Documentation from the sponsor that the award or amendment is shortly forthcoming
3. Whether the request is for a continuation of an established award or a new award
4. Demonstrated need/rationale for pre-spend

The proposed maximum spending on the pre-spend chart string cannot exceed the amounts below:

Sponsor Type	Recommended Pre-spending Amount
Federal award	\$30K (excluding AY faculty salary on account code 60011)
Non-Federal award	\$15K (excluding AY faculty salary on account code 60011)

If the pre-spend limit approved by the Office of the Dean has been reached, work and spending on the project must stop until the Office of the Dean reviews the situation and allows the work to continue.

In all cases, faculty summer salary is not an allowable expense for pre-spending. However, academic year faculty salary direct charged to the project is exempt from the pre-spend amount limits.