



Campus Administrative Policy

Policy Title: Establishing a Sponsored Project Without an Award Diplomat, 4-10

Policy Number: 2020 Functional Area: **Finance**

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Date Scheduled for Review: July 1, 2018
Supersedes: UCD Fiscal Policy 4-10, Establishing a Sponsored Project without an Award Document (May 1, 2009)

Approved by: Vice Chancellor for Research

Prepared by: Director of the Office of Grants and Contracts
Reviewing Office: Executive Vice Chancellor for Administration and Finance and Chief Financial Officer (CU Anschutz)
Senior Vice Chancellor for Administration and Finance and Chief Financial Officer (CU Denver)

Responsible Officer: Executive Vice Chancellor for Administration and Finance and Chief Financial Officer (CU Anschutz)

Applies to: University of Colorado Denver
University of Colorado Anschutz Medical Campus

A. INTRODUCTION

This policy establishes University of Colorado Denver and University of Colorado Anschutz Medical Campus (“university”) guidelines for the establishment of a Sponsored Project in Grants and Contracts (OGC) prior to the receipt of the award document from the sponsoring agency.

This policy applies to any sponsored project spending incurred before the receipt of the award document from the sponsoring agency.

Each university administrative unit, principal investigator, or designated person responsible for a sponsored project shall be responsible for compliance with this policy when utilizing a Pre- activated Award project.

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C. DEFINITIONS

1. Effective Date is the date designated in the award document as the beginning date of the current budget period of the sponsored project award.
2. Pre-Activated Award Period is the period before the award document is received by the Office of Grants and Contracts.
3. Pre-Award is another term for Pre-Activated Award.
4. Sponsored Projects are research, instructional, or public service activities that are related to the mission of the university and sponsored by external agencies or entities. If the award meets at least one of the following criteria, it is likely a Sponsored Project. However, the existence of any one of the criteria may not be determinative.
 - a. The award is a grant or contract from a governmental entity, unless exempted under OMB Circular A-21.
 - b. The proposal responds to a Request for Application (RFA), Request for Proposal (RFP), or other formal solicitation, and the project is initiated by notice of award. Certain RFPs issued by private charitable foundations may not qualify as a Sponsored Project.
 - c. The award includes terms that bind the university to a list of scholarly or scientific inquiry.
 - d. The Statement of Work specifies programmatic objectives mutually agreed upon by the university and the sponsor, which are to be accomplished within a specific period of time or within a detailed budget framework.
 - e. The sponsor is entitled to receive the following types of deliverables: a detailed technical report of research results, milestone reports, or a required report of allowable expenditures. Certain reporting requirements of private charitable foundations that are stewardship- or accountability-oriented may not qualify as Sponsored Projects.
 - f. The award requires separate accounting procedures and detailed financial

- reports.
- g. The sponsor requires the return of unexpended funds or only reimburses for incurred costs (expenditure-driven).
 - h. The award provides for compliance audits by or on behalf of the sponsor, which may or may not include a financial audit.
 - i. The award is for a project requiring compliance oversight including, but not limited to: human subjects, animal use, biohazards, or bio-safety.
 - j. The award terms include publication or data restrictions or monitoring.
 - k. The sponsor requests intellectual property rights or controls the disposition of capital equipment.
 - l. The award is by a sponsor who has licensing rights to inventions from the same lab/researcher benefiting from the award.
 - m. The sponsor designates a sponsor employee (agent) as project technical monitor (as opposed to designating a contact person to improve communications).
 - n. The award is for a sub-award project under a federal award.
 - o. The award requires a matching or cost sharing commitment on the part of the university.
 - p. The award generates program income to a federal award.
 - q. The award from the sponsor is for membership fees to centers and affiliate programs. The university may receive membership fees for its centers and affiliate programs, as characterized by any one of the following examples:
 - i. The member agreement imparts “Center Member” status to the sponsor.
 - ii. The member receives the right to exert any type of control over the operation of the institute, center or program.
 - iii. The member receives special or discounted access to laboratories or other university facilities for its use.
 - iv. The member receives patent, licensing rights, or other intellectual property rights provisions benefiting the sponsor

D. POLICY STATEMENT

- 1. General

Sponsoring agencies may allow grantees to incur Pre-award costs at the grantee’s own risk. For example, the National Institutes of Health (NIH) allows Pre-award costs without prior approval of up to 90 days before the effective start date of a new or competing continuation award. These costs must be both necessary and allowable. Other sponsored projects such as private industry/clinical trial agreements may have costs (for example, Colorado Multiple Institutional Review Board (COMIRB) fees for reviewing clinical trial protocols) that are incurred in advance of a fully executed agreement between the university and the sponsor.

The university’s incurrence of Pre-award costs made in anticipation of a new, competing continuation, or noncompeting continuation award imposes no obligation on the part of the funding agency or industrial sponsor to make an award or increase funding.

Pre-award costs do not apply to subcontracts which are issued from the university to subrecipient(s) under a prime award received by the university. Grants and Contracts will not issue a subcontract until an award has been received and a project has been set up in the financial system.

Principal Investigators and their administrative unit must be able to cover any Pre-award costs that:

- Fall outside of the award's allowable pre-award period
- Are found to be unallowable
- Are incurred for an anticipated award, whether new or continuing, that does not materialize

2. Pre-activated Award Authorization

A Principal Investigator (PI) may request establishment of a Pre-activated Award (Pre- Award) project in advance of the receipt of award document for a new or competing continuation award.

a. Pre-activated Award Costs for Noncompeting Awards

Pre-activated Award costs incurred before the start date of a noncompeting award for NIH and similar agencies generally allow a grantee to incur these costs without regard to the time parameters mentioned above. As with new or competing continuation awards, the university's incurrence of Pre-activated Award costs in anticipation of a non-competing award imposes no obligation on the part of the funding agency to make an award or increase funding.

b. Pre-activated Award Authorizations for Contracts with Other State of Colorado Agencies

Authorization of Pre-activated Award costs for agreements that are between the university and another State of Colorado agency will be very limited. Some state agencies have taken the position that an agreement is not valid until all parties including the State Controller have signed the agreement and the effective date of the agreement cannot be earlier than the date that the State Controller has signed the agreement. Therefore, Pre-activated Award cost authorizations for these agreements result in the costs being unallowable to the agreement if incurred before the State Controller's signature. Grants and Contracts will review departmental requests for Pre-activated Awards, but authorization will be limited to those instances where the university has been provided with state agency written assurances that allowable Pre-activated Award costs incurred from the agreement's effective date through date of the State Controller's signature will be reimbursed (in addition to allowable costs) through the remainder of the agreement period.

c. Industry Sponsored Agreements Requiring COMIRB Review of Clinical Trial

Protocols

Private industry clinical trial agreements may require COMIRB review of clinical trial protocols in advance of a fully executed agreement between the university and the sponsor. COMIRB policy requires that the fee for this review be paid at the time the protocol is submitted to COMIRB. This payment is normally accomplished through the completion of a payment voucher, which credits the COMIRB program and charges the clinical trial project. However, this review process may take place in advance of the completion of a fully executed agreement between the university and the sponsor.

To appropriately reflect the cost of the COMIRB review to the project and eliminate the need to charge the expense to some other project, the project can be established in advance in PeopleSoft for charging the project for COMIRB review.

The Pre-activated Award project shall be used solely for the recording of the COMIRB expense until there is a fully executed agreement that will allow the project itself to proceed. Any expense in excess of the COMIRB fee charged to the project likewise remains the responsibility of the department whether an agreement becomes fully executed or not.

If the arrangement for payment of the COMIRB fee allows the department to bill the sponsor in advance of a fully executed agreement or reimbursement is not dependent upon contract execution, the department should invoice the sponsor as soon as possible so that payment can be made and the funds deposited into the program used to record the COMIRB fee expense. The department is responsible for ensuring that OGC is provided with an original fully executed agreement as soon as the department receives it from the sponsor.

D. PROCEDURE

1. Pre-activated Award Authorization for New or Competing Continuation Awards Prior to Review of a Request of a Pre-activated Award.

OGC requires the requesting administrative unit to complete the proposal routing process (see Policy 4-5). The administrative unit must also complete the "Award Pre-Activation Request" form (Exhibit A) and identify an appropriate and alternative source of funding to cover pre-award costs that may not be chargeable to the Pre-activated Award project.

Requests for Pre-activated Award authorization should include the following:

- a. Award Pre-Activation Request Form (Exhibit A)

- b. Copy of the Routing Form indicating proposal approval by the university. If the grant application or contract proposal is not available at the time of routing but subsequently becomes available, the application or proposal documents and a copy of the routing form should be sent to the PreAward Section in OGC for inclusion in the Pre-activated Award file.

The “Award Pre-Activation Request” form (Exhibit A) requires the signature of the Principal Investigator and the approval signature of the Department Administrator and/or Chairperson before submission to G&C.

2. Industrially Sponsored Agreements Requiring COMIRB Review of Clinical Trial Protocols

COMIRB will not review industrially supported clinical trial protocols without payment of the COMIRB review fee. If the project is needed for this purpose before completion of a fully executed agreement, departments should complete the “Award Pre-Activation Request” form (Exhibit A). Upon approval of the request and PeopleSoft project number assignment, the department can then prepare an IN that will reflect the COMIRB fee expense and charge the project.

In the event a department receives monies for an award that has not been finalized to cover COMIRB fees, the department is to complete a “Check Deposit Request” form (Exhibit B). The form is to be used when:

- a. Monies have been received for deposit into a Pre-Activated Award project in anticipation of award documents.
- b. Monies have been received for a project that has not yet received a Pre-activated Award.

3. Processing of Monies Received in Advance of Finalization of Award Documents

In the event a department receives monies for an award that has not been finalized, including monies received for COMIRB fees, the department will complete a university “Check Deposit Request” form (Exhibit B). The completed form is to be attached to the payment for deposit to:

- a. Pre-activated Award project in anticipation of getting award documents, or
- b. When monies have been received for a project that has not yet received Pre-activated Award authorization.

Notes

1. Dates of official enactment and amendments:
May 1, 2009: Adopted by the Vice Chancellor for Research
February 1, 2011: Updated
February 21, 2019: Formatting Updated

2. History:
February 21, 2019: Modified to reflect a Campus-wide effort to recast and revitalize Campus policy sites into a standardized and more coherent set of chaptered policy statement organized around the several operational divisions of the university. Article links, University branding, and formatting updated by the Provost's office.
3. Initial Policy Effective Date: February 1, 2011
4. Cross References/Appendix:
 - [Exhibit A, Award Pre-activation Request Form](#)
 - [Exhibit B, Check Deposit Request](#)

AWARD PRE-ACTIVATION REQUEST

Instructions: Administrative Units should use this form to **establish a University of Colorado Denver (UCD) project before the receipt of the sponsored award document for a new or competing continuation award.** Complete all requested information, attach a copy of the completed Approval of Application for Grant or Contract” form (routing form). Forward to Grants and Contacts (G&C), PreAward Manager, F428, after obtaining Departmental review and approval.

General Information

Principal Investigator (PI): _____ Date: _____

Department: _____

Proposal Routing # (found on upper right hand corner of routing form. Contact G&C for assistance if no proposal routing number is found): _____

Sponsoring Agency: _____

Anticipated award amount: \$ _____ Anticipated budget period: _____

Sponsor Contact: _____ Sponsor Phone: _____

Provide a project number that will be used to cover any pre-award costs incurred in the event that an award is not made or pre-award are costs not allowable under the terms and conditions of the award: _____.

PI AND ADMINISTRATIVE UNIT CERTIFICATION

THIS REQUEST FOR A PRE-ACTIVATED AWARD RELATES TO THE GRANT APPLICATION OR CONTRACT PROPOSAL ALREADY ROUTED AND APPROVED BY G&C.

THE SIGNATURES BELOW GUARANTEE THAT THE DEPARTMENT WILL COVER ANY PRE-AWARD COSTS INCURRED IF THE AWARD IS NOT MADE OR PRE-AWARD COSTS ARE NOT ALLOWABLE UNDER THE TERMS AND CONDITIONS OF THE AWARD AGREEMENT.

IF THIS IS A CLINICAL TRIAL AGREEMENT THAT IS NOT YET EXECUTED, THE PROJECT WILL BE USED SOLELY FOR THE RECORDING OF COMIRB EXPENSE AND DEPOSIT OF SPONSOR REIMBURSEMENT OF THE COMIRB EXPENSE(S) UNTIL THE AGREEMENT IS FULLY-EXECUTED. ANY EXPENSE(S) IN EXCESS OF THE COMIRB FEE(S) THAT ARE CHARGED TO THE PROJECT WILL REMAIN THE RESPONSIBILITY OF THE DEPARTMENT.

Principal Investigator

Departmental Administrator/Chair

Date

Date

GRANTS AND CONTRACTS COMMENTS:

PreAward Administrator: _____ Date: _____

Pre-Activation Award Amount: \$ _____ Budget Period: _____

Distribution: G&C Award File

**CHECK DEPOSIT REQUEST
WHEN AWARD DOCUMENTS HAVE NOT BEEN FINALIZED
WITH OR WITHOUT A PRE-ACTIVATED AWARD**

Instructions: Administrative units are to use this form when 1) monies have been received for deposit before receipt of final award documents, or 2) monies have been received but Pre-activated Award authorization has not yet been given. Complete the following information and attach the check for deposit. Forward all documents to Grants and Contracts, F428.

General Information:

Principal Investigator (PI): _____ Date: _____

Department Contact: _____ Phone: _____

Check Payer/Sponsor: _____

Amount: _____ Check No.: _____ Check Date: _____

Provide the PeopleSoft Project Number (FOPPS) Information

- No Project Number has been assigned.
 Project Number assigned that the payment is directly related to: _____

Check all that apply:

- A. ___ Check is the Sponsor's payment for COMIRB fee(s) charged for protocol review.*
 B. ___ Check is payment for activities/services to be accomplished under an anticipated award to the UCD.*
 Documents supplied to Grants and Contracts and/or Office of Technology Transfer are as follows (check as appropriate). Attach copies of documents supplied to Technology Transfer.
 ___ Approval of Application for Grant or Contract (Routing Form)
 ___ Award Pre-Activation Request
 ___ Clinical Trials Required Form/Effort Commitment and Certification
 ___ Copy of Grant Application or Contract Proposal
 ___ Budget and/or Payment Schedule
 ___ Confidentiality Agreement
 ___ Material Transfer Agreement
 ___ Sponsor Policy/Guidelines
 ___ Other (specify): _____
 C. ___ There are no award documents or proposed terms and conditions.
 D. ___ Other (please explain): _____

* If not already sent to Grants and Contracts, the *Approval of Application for Grant or Contract* (Routing Form) and *Pre-Activation Award Request* form are to be completed, routed for approval and attached (Fiscal Policy 4-5, Exhibit A, and Fiscal Policy 4-10, Exhibit A).

Requestor Name: _____

Signature: _____ Date: _____

PI'S CERTIFICATION (REQUIRED IF C OR D CHECKED ABOVE):

TO THE BEST OF MY KNOWLEDGE, I AM NOT AWARE OF ANY EXPECTATIONS BY THE PAYER/SPONSOR WITH RESPECT TO INTELLECTUAL PROPERTY RIGHTS OR OTHER TERMS, SUCH AS PUBLICATION RESTRICTIONS THAT MIGHT BE COMPROMISED BY THE ACCEPTANCE AND DEPOSIT OF THIS CHECK.

PI Signature: _____ Date: _____

Distribution by OGC:

1. G&C Award File
2. Principal Investigator's Contact identified on Routing Form, unless specified otherwise.