

## Pre-Award Advance Account Request Policy and Procedure

113.01

**Applies to:** All Departments/Agencies of the County

This Office of Management and Budget (OMB) initiative is intended to streamline the administration of grants, both federally and non-federally funded. The establishment of the Lucas County Pre-Award Advance Account process will increase productivity and minimize the administrative burden on departments while maintaining effective stewardship of grant funds.

A Pre-Award Advance Account (PAA) request is used when you need to spend funds prior to the fully executed date of the award but have not yet received the official award and you have every indication that it will be awarded. A project/grant (P/G) number is set up at the time of an award, however with a Pre-Award Advance Account, the P/G number will be established prior to the actual receipt of a final award document, allowing work to begin and costs to be properly allocated allowing Departments/Agencies to record and track expenditures and minimize the need for cost transfers. It can only be requested in situations where all of the following criteria are met:

1. There is a delay in the award process.
2. There is reasonable certainty that the award will be forthcoming, as determined by the requesting department/unit.
3. Planned expenditures are deemed necessary, allowable, allocable, and reasonable in accordance with:
  - a. The principles of the Uniform Guidance 2 CFR 200 under the anticipated award terms and start/end dates (i.e., the award will be back-dated) for Federal Awards.
  - b. The anticipated award terms and conditions and start/ends dates of the non-federal entity.
4. The request is for 90 days or less.

### Who requests the Pre-Award Advance Account?

The Department/Agency requests the Pre-Award Advance Account, and the Department/Agency is financially responsible if, for any reason, the resulting award does not cover the costs incurred during the period requested.

For this reason, Departments/Agencies should do their due diligence and assess their risk exposure prior to requesting the Pre-Award Advance Account.

Departments/Agencies should also be aware that the sponsor/funder cannot be invoiced during this period as we await the finalized award. If you believe the sponsor/funder is expecting an invoice, please alert Lana Tyrrell in the Office of Management and Budget before processing the Pre-Award Advance Account Request.

**When pre-award costs are associated with a request to establish a new federally funded project/grant, the procedure below should be followed:**

A Pre-Award Advance Account Request form must be submitted to Lana Tyrrell in the Office of Management and Budget and should include, at minimum, the following information:

- \*A brief description of the need. Evidence (email/letter, etc.) that the sponsor/funder is intending to fund the grant.
- \*The period the Pre-Award Advance Account (start and end dates) is to be established at the direction of the requesting department/unit (90 days or less).
- \* A detailed budget consistent with the submitted proposal and any known sponsor/funder requirements.
- \*The amount of the appropriation request for the Pre-Award Advance Account (can be a pro-rated amount based on the detailed budget).
- \*The entire proposal.
- \* Authorized Department/Agency official (or designate).
- \* Department/Agency statement to acknowledge full responsibility for the expenses in the event that a formal award is not funded.
- \* An acceptable chartfield for any costs incurred should the award not be funded. The Department/Agency requesting the Pre-Award Advance Account is financially responsible if, for some reason, an acceptable agreement/award authorizing funding during the period is not received. It is important to keep in mind that once the final award notice is received, if the start date of the award is later than the start date on the Pre-Award Advance Account Request and pre-award expenditures are not allowed, the Department/Agency is responsible for all expenditures on the account for the unfunded period.

Based upon the information provided in the Pre-Award Advance Account Request and contained in the associated proposal documentation, the Office of Management and Budget may recommend to the Commissioners to approve the Pre-Award Advance Account provided that all relevant compliance factors have been satisfactorily addressed.

This request form may also be used for Extension Requests when costs are incurred to the account when a no-cost time extension has been submitted to the sponsor/funder but no response has been received.

**Procedure upon start date or finalization of the award:**

## LCGSPG Lucas County Grants Standard Practice Guide

1. If no award or extension is issued, the Department/Agency is responsible for transferring the charges from the Pre-Award Advance Account to the acceptable chartfield provided on the request form.
2. If some or all Pre-Award Advance Account charges are not allowed by the sponsor/funder, the Department/Agency is responsible for transferring the unallowable costs to the acceptable chartfield provided on the request.
3. If the award information changes, the Department/Agency is responsible for transferring the charges from the Pre-Award Advance Account chartstring to the revised chartstring. This can happen occasionally if the award is issued by a different sponsor/funder than that listed on the proposal, or the type of funding will come from another source.

Any changes in the applicability or status of the award must be reported immediately to Lana Tyrrell in the Office of Management and Budget. The Commissioners reserve the right to revoke a Pre-Award Advance Account if a previously unidentified compliance factor is reported to be newly applicable. Federal sanctions may also apply.