

PENDING AWARDS & PRE AWARD COSTS



Effective:	02/01/2022
Last Reviewed:	02/01/2022
Owner:	Jill Frazier Tincher
Area:	Sponsored Projects Admin
Applicability:	UGA System-Wide

POLICY AND PROCEDURE

PURPOSE:

The purpose of this policy is to ensure compliance with the standards set forth in the Federal Office of Management and Budget 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200), Federal and State regulations, and sponsor-specific requirements. This policy provides guidance, which will assist University of Georgia (UGA) personnel proposing, performing and managing sponsored activities. Direct costs on sponsored projects must be allowable, allocable, and reasonable.

Failure to comply with UGA policies and procedures may result in audit findings, suspension of sponsored activities, closer monitoring by the sponsor, delays in final payments, and/or other enforcement actions imposed by the sponsor. This policy applies to all Federal and non-Federal sponsored activities, including all externally funded activities.

SCOPE:

All UGA personnel must be aware of the complex and detailed rules provided under Federal/State regulations, as well as the terms and conditions of individual sponsored activities.

POLICY:

Sponsored projects will comply with all applicable Federal, State and/or sponsor-specific costing policies. This is applicable to building proposal budgets, negotiating sponsored projects, setting up sponsored projects, as well as initiating, approving, invoicing and reporting costs.

PENDING AWARD

It is the policy of the University of Georgia to allow the establishment of a Pending Award for up to 25% of the anticipated award amount if certain criteria are met. Pending Awards will be established to ensure incurrence of future expenses are applied to the appropriate project/grant. Pending Awards will NOT be established to facilitate transfer of prior expenses, as this practice negates the purpose of a Pending Award.

The need to open the Pending Award should outweigh the risk the University takes in opening the project and should be documented in the Grants Portal via a “Pending Award” request. A “Pending Award” pertains to the anticipation of the initial award or the anticipation of receiving subsequent increments of funding for an existing award.

The proposal and/or draft contract (if available) will be reviewed by Sponsored Projects Administration (SPA) prior to setting up the Pending Award. If there are any compliance approvals required (Institutional Animal Care and Use Committee, Institutional Review Board, Conflict of Interest, Export Control, etc.), these will be secured by the PI/department, and submitted along with the request to establish the Pending Award. All costs incurred during the Pending Award must be in accordance with the terms and conditions of the anticipated

award/contract or subsequent increment of funding and must be anticipated within the proposed budget. The PI/unit will be responsible to guarantee expenses incurred if the award/modification is not received.

PLEASE NOTE: There is a heightened risk to opening a Pending Award on contracts where the start date may be unknown and it is unclear if the sponsor will allow spending prior to the start date or contract execution. Consequently, proceed with caution. If you decide to proceed with this risk, please attach a copy of the DRAFT contract so SPA may assess the above issues.

PRE AWARD COSTS

The federal government often allows a recipient, at its own risk and without federal agency approval, to incur obligations and expenditures to cover costs up to 90 days before the beginning date of the initial budget period provided such costs are necessary to conduct the project and would be allowable under the grant, if awarded. The [Research Terms and Conditions Prior Approval Matrix](#) provides insight on whether prior approval for incurring Project Costs 90 days prior to the start date is waived.

If PI/unit anticipate receipt of an award that will be federal or federal-flow thru funded and need to incur expenses prior to the start date, a request for Pre-Award costs can be initiated at the PI/Department's risk.

PENDING AWARDS & PRE AWARD COSTS

The Principal Investigator (PI) initiates pending Award and Pre Award Cost requests when they have verbal or written notification from a sponsor that funding is imminent. PI requesting a Pending Award and the appropriate Dean, Chair or Center/Institute Director are required to approve the Pending Award request acknowledging their approval and responsibility.

After the Pending Award has been established, SPA will monitor and determine, at periodic intervals, if the award/contract is still anticipated and the project should remain open. Ninety days after the establishment of a Pending Award, if no award/contract has been received the Pending Award will be frozen and a second Pending Award request will have to be processed to allow for expenses during days 91-180. If award/contract is not received after the second Pending Award period, a third Pending Award request will have to be processed to allow for expenses during days 181-270. If the award/contract is not issued and/or expenses are not authorized, PI/unit will absorb all costs incurred within the Pending Award/s.

DEFINITIONS:

Sponsored Projects are externally funded activities that must be separately budgeted and accounted for according to terms of the sponsoring organization, Federal/State regulations, and UGA policy. Sponsored Activities are provided through grants, contracts, and agreements with any Federal Agency, State Agency, or non-Governmental Organization that supports research, training, instruction, public service and other activities.

Sponsor-specific Requirements include requirements stated within the sponsor rules/regulations, funding opportunity announcement, award/grant or contract/agreement and amendments.

Pending Awards allow PI/Unit to open a project and incur expenses while awaiting receipt of the initial award or subsequent increment of funding.

Pre Award Costs are those incurred prior to the effective date of the federal award directly pursuant to the negotiation and in anticipation of the Federal award where such costs are necessary for efficient and timely performance of the scope of work. Such costs are allowable only to the extent that they would have been allowable if incurred after the date of the federal award and only with the written approval of the federal awarding agency.

PROCEDURE:

1. PI/unit identify the proposal that coincides with the need for a Pending Award and/or Pre-Award.
2. PI/unit follow the steps for [Proactivity for Award Set Up](#).
3. PI/unit complete the [Administrative Action Request for Pending Awards form](#).
4. PI/unit submit request through the Grants Portal utilizing [the How To Request A Pending Award job aid](#).
5. SPA will receive/process the request and inform the PI/unit when the request is completed.
6. Please contact Sponsored Projects with any questions.

RESOURCES:

2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards



Sponsored Projects Administration
UNIVERSITY OF GEORGIA

Sponsored Projects Administration | 706-542-5939 | <http://spa.uga.edu>
