

Western Michigan University

Pre-Award Account Establishment Procedures

Purpose

To establish a pre-award spending account when a sponsored project has been approved by the awarding agency and the start date has passed, but final negotiations have not been completed, or if the awarding agency has approved pre-award cost.

Guidelines

The federal government through Code of Federal Regulations Title 2: Grants and Agreements Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2CFR Part 200) allows granting agencies to incur pre-award costs for grants 90 calendar days prior to the award date.

- The granting agency guidelines should be consulted to confirm pre-award spending is allowable.
- Costs should be incurred only for items budgeted in the proposal.
- All pre-award cost are incurred at the recipient's risk.
- The Federal agency is under no obligation to reimburse costs, if for any reason, the recipient does not receive an award or if the award is less than anticipated and inadequate to cover cost.
- If for any reason, pre-award costs are not covered by the agency, the department is responsible for covering the costs incurred on the pre-award account.

Procedures

In order to establish a pre-award spending account the following procedures must be followed:

- Complete the "[Pre-Award Account Request](#)" form and route the form for approvals.
- Once the form has all the administrative approvals, the Principal Investigator should retain a copy of the form and forward the original form to the Grants and Contracts Office.
- The Grants and Contracts Office will obtain the Vice President for Research's signature.
- Upon receipt of the fully signed form the Grants and Contracts Office will establish an account and notify the Principal Investigator of the account number.

Receipt of Award

Upon receipt of the fully negotiated award, the Grants and Contracts Office will issue a formal notice of award and attach a copy of the award document. Should the terms of the award, especially the approved award period, make any of the project cost already incurred unallowable, such costs will be transferred automatically to the departmental fund and cost center designated on the "[Pre-award Account Request](#)" form.

Western Michigan University
Pre-Award Account Establishment Procedures

Non-Receipt of Award

If an award is not made, the Grants and Contracts Office will notify the Principal Investigator and the pre-award account will be closed; all costs incurred will then be transferred automatically to the departmental fund and cost center designated on the "[Pre-award Account Request](#)" form.