
UCLA Policy 920: Expenditure or Commitment of Funds Against Contracts and Grants Prior to Receipt of an Executed Award

Issuing Officer: Executive Vice Chancellor

Responsible Dept: Office of Sponsored Research

Effective Date: July 1, 1998

Supersedes: UCLA Procedure 920.1, dated 9/1/82

I. REFERENCES

II. GENERAL POLICY

III. DEFINITIONS

IV. PROCEDURES

V. ATTACHMENTS

I. REFERENCES

1. Standing Order 100.4(n) of The Regents of the University of California concerning expenditures against Firm Commitments;
2. UCLA Delegation of Authority 240.01, Expenditures Against Firm Commitments Under Contracts and Grants.

II. GENERAL POLICY

The Principal Investigator of a research, training, or public service contract or grant may request permission to spend a specified amount of money during a specified period against an appropriate account and fund number prior to the receipt of an executed award from the funding agency. Three criteria must be met before the Principal Investigator is authorized to spend funds against approved projects in advance of receiving a Formally Executed Award. It must be demonstrated that:

- A Firm Commitment by a funding agency exists to award a contract or grant.
- There is an essential need to advance or commit funds.
- Other funding is available to cover the risk of a delayed start date or failure of an agency to make an award as anticipated.

The Principal Investigator's Department, School, College, or Organized Research Unit (ORU) is responsible for providing appropriate funds to cover expenditures which might be disallowed as a result of delay or failure of an agency to make an award as anticipated .

III. DEFINITIONS

Agency Contract or **Grant Official** who may legally make a Firm Commitment is usually referred to as the "Contracting Officer," "Grants Management Officer," "Procurement Contracting Officer," or similar title. This official may legally commit funds of a sponsoring agency and should not be confused with a "Project Monitor," "Technical Review Officer," "Scientific Officer," or other individuals who review and approve or disapprove the technical or scientific merits of a proposal. The technical monitor is seldom the individual who may commit agency funds.

Firm Commitment has no legal definition. It is in the nature of a pledge or promise to do something in the future, but is not a binding contract. The phrase is used when University

personnel are advised by authorized representatives of funding agencies that a contract or grant will be forthcoming but that a delay, usually related to document processing, will cause the award to be received after the start date of the project.

Formally Executed Award is the legal document (contract or grant) which binds an agency to commit funds to the University and binds the University to provide resources (services, goods, facilities, expertise) in return for the funds. The awarding agencies have differing formats for such contracts and grants. Contracts are usually effective only when signed by both the University and the agency; grants often are signed only by the agency.

Need to Advance Funds, in the case of a new award, might relate to a date which must be met, or any kind of study which must be done, or prepared for, by a specified date (e.g., the observation of a lunar or solar eclipse). For renewal or continuation awards, the need to keep already employed personnel on the payroll may be accepted as one justification for the Need to Advance Funds.

IV. PROCEDURES

RESPONSIBILITY	ACTION
Principal Investigator	<p>Is advised that an award is forthcoming and prepares <u>Request for Authorization to Spend Funds Prior to Receipt of an Award</u> (UCLA E-RAS) according to form instructions. (See Attachment A.)</p> <ul style="list-style-type: none"> • Identifies nature of commitment by the awarding agency, including identification of the Agency Contract or Grant Official who may legally commit funds. (Office of Sponsored Research (OSR) will assist in this identification if necessary.) • Details risks involved. • Explains needs to advance funds and attaches a budget of the amount required by major cost categories. • Attaches any supporting documentation. <p>Signs and dates form and submits it to Department Chair or ORU Director.</p>
Department Chair or ORU Director	<p>Reviews form for completeness.</p> <p>Determines if funds are available within the department to cover expenditures should the anticipated award not be received or does not coincide with the anticipated period of performance.</p> <ul style="list-style-type: none"> • If funds are available, checks box on form indicating ability to provide funding for any losses incurred as a consequence of approval of <u>Request</u>. • If funds are not available, checks box indicating inability to provide funds and recommending that Dean cover any losses. <p>Signs and dates form and forwards it to Dean.</p>
Dean	<p>Reviews form for completeness and checks appropriate box.</p> <ul style="list-style-type: none"> • If Department Chair or ORU Director is able to provide funds for any losses, Dean checks box indicating concurrence. • If Department Chair or ORU Director cannot provide funds for any losses, Dean checks box indicating willingness to provide any necessary funds. <p>Note: If neither the Dean nor the Department Chair or ORU Director is able to cover losses, <u>Request</u> will not be approved and should be returned to the Principal Investigator.</p>
Dean (cont'd)	<p>Signs and dates form and forwards it to the OSR Officer serving the department.</p>

RESPONSIBILITY	ACTION
Office of Sponsored Research (OSR)	<p>Reviews form for completeness, for consistency with University and funding agency policies, and confirms that there is a Firm Commitment from the funding agency.</p> <p>Signs and dates form indicating recommendation for approval and forwards it to Assistant Director, OSR.</p>
(Assistant Director)	Reviews form, checks box indicating approval or disapproval of <u>Request</u> , signs and dates form, and returns it to the OSR Officer/Assistant.
(Officer/Assistant)	<p>Forwards approved form with copy of budget to Extramural Fund Management (EFM).</p> <p><u>Note:</u> If <u>Request</u> is not approved, form is returned to Principal Investigator with an explanation of reason for denial.</p>
EFM	<p>Assigns appropriate account and fund number on form.</p> <p>Signs and dates form.</p> <p>Advises Principal Investigator or Department Administrator by telephone of approval to spend and of assigned account and fund number.</p> <p>Establishes temporary account, fund, and sub-budget titles in General Ledger.</p> <p>Distributes copies of form as designated:</p> <ul style="list-style-type: none"> • Pink copy (original) to SR. • Yellow copy to Principal Investigator. • Green copy to Department. • Blue copy retained by EFM. • Makes photocopy and sends to Purchasing Department with copy of applicable budget. <p><u>Note:</u> If an award does not materialize as anticipated, the Department involved will inform EFM and identify other fund sources within the Department, School or College to cover any resulting loss.</p>

V. ATTACHMENTS

- A. UCLA E-RAS, Request for Authorization to Spend Funds Prior to Receipt of an Award
See Office of Contract & Grant Administration Web site at
www.research.ucla.edu/forms/eras.htm for interactive electronic form.

Issuing Officer

/s/ Wyatt R. Hume

Executive Vice Chancellor

**Questions concerning this policy or procedure should be referred to
the Responsible Department listed at the top of this document.**
