Emory University  
Research Administration Services (RAS)  
Standard Operating Procedure (SOP)

TITLE: Provisional Award Request and Set Up  
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PREPARED BY: Office of Research Administration, Research Administration Services and Office of Business Practice Improvement  
APPROVED BY: RAS Central Operations  
ASSOCIATED DOCUMENTS: None

I. PURPOSE

Emory University recognizes that it may be necessary to incur expenses on sponsored projects prior to the formal execution of an award. Delays in award execution may be the result of prolonged negotiations or lengthy administrative processing. This procedure outlines the advance funding procedure for Research Administration Services (RAS) units to work with Office of Sponsored Programs (OSP) in establishing a preliminary account (called a Provisional Award Number or PAN) to begin spending on a grant or contract. This will be done with advice and consent from the Principal Investigators (PI), Department Administrators (DA) (where applicable), and the School/Unit’s Business and Finance office (in the case of the School of Medicine, the Office of Business and Finance must approve).

II. INTRODUCTION

Expenses that are posted to a PAN are considered “at risk” until the award is fully executed by the (OSP) and the sponsor. The execution of an award occurs when a Notice of Award (NOA) is issued by the sponsor. The PI and/or department assumes the financial risk in the event the award is not made, accepted, started within the approved pre-award window, or if the terms of the award prohibit certain pre-spending activities or expenses. If the project is not funded by the sponsoring agency, all expenses – direct and indirect – that are charged to the PAN account become the financial responsibility of the PI/Department and not the School/Unit.

Please Note: A PAN should only be set up when there is indication that an award is pending (e.g., draft subcontract, award documentation, and/or correspondence from the sponsor’s business office) and verification that the award is eligible for pre-award spending.

III. PROCEDURE

1) **Initiating a Provisional Award Number (PAN)** (refer to the Request for Provisional Award Number on the SAM system as of July 1, 2014)

   a. The Post Award Administrator will initiate the process by determining with the PI and/or Division/Department Administrator (DA) if a suitable guarantor account is available. The PI and, by extension the department, assumes the risk for all deficit spending, including pre-award spending, on advance funds expended from the PAN.
b. If such an account is available, the Post Award Administrator will initiate the process by filling out a Request for Provisional Award Number request. The request outlines required information. Approval is noted via electronic signatures. See Approving a PAN Request below for more information.

c. If no suitable guarantor account is available, the Post Award Administrator will not initiate the request process.

**Important Notes:**

- If a proposal was not submitted to OSP prior to initiating a PAN request, the Post Award Administrator coordinates with the PI to submit the proposal and all required documentation through Emory Proposal Express (EPEX) in Compass Grants to OSP before submitting the PAN request.

2) Approving a PAN Request

a. After the required information is entered or uploaded to the form, the Post Award Administrator submits the PAN request via the SAM system for PI approval.
   i. The PI approves or makes changes to the request.

b. Following PI approval the request is routed to the Division Chair, if applicable, for approval or denial.
   i. The Division Chair approves by signing the request electronically or denies the request.
   ii. An email reminder is sent out by the Post Award Administrator if no action is taken in three business days of the initial approval request.
   iii. If Division Chair denies the request, the Post Award Administrator will ensure the PI and DA have been notified and the request process ends.

c. Following Division Chair approval (if applicable) the SAM system routes the request to the Department Chair, if applicable, for approval or denial.
   i. The Department Chair approves by electronically signing the request or denies the request.
   ii. An email reminder is sent out by the SAM system if no action is taken in three business days of the initial approval request.
   iii. If Department Chair denies the request, the SAM system will ensure the Post Award Administrator, PI and DA have been notified and will not continue the request process.

d. Following Department Chair approval, SAM system routes to the school business and finance office, if applicable, for approval or denial.
   i. The school business and finance office approves by electronically signing the form or denies the request.
   ii. An email reminder is sent out by the SAM system if no action is taken in three business days of the initial approval request.
   iii. If school business and finance office denies the request, the SAM system will ensure the Post Award Administrator, PI and DA have been notified and will not continue the request process.

e. After obtaining required approvals, the Post Award Administrator will submit these approval forms to OSP who will perform Award Setup in Compass to generate a SmartKey (a Smartkey is an account in PeopleSoft Financials for which transactions are posted).

f. After a SmartKey has been generated, OSP will inform the Post Award Administrator and the PI.

3) Monitoring Advanced Funds

The Post Award Administrator will assist in overseeing and monitoring advance funds and inform the PI and RAS Director of the status of a PAN.
At the beginning of every month (immediately after month close), the Post Award Administrator will run a BI Report report in Compass Reporting Environment and review the funds in the PAN account to ensure that the expenses are allowable and allocable. If funds are not allowable or allocable (per Sponsor definition and Emory Policy), Post Award Administrator will work with PI and Department to determine the correct account to move the funds to. If the PAN account is open for more than 90 days or has expenses of more than $50K cumulative, it is considered to be in “advance status,” and, the Post Award Administrator will notify the RAS Manager and DA. A detailed monitoring and escalation process follows:

a. Advance status 90 days or more; or $50K or more in expenses
   i. Post Award Administrator will identify funds in advance status and report updates to Manager and DA.
   ii. Post Award Administrator will contact OSP for an update on the status of the award.
   iii. Manager will escalate funds in PAN status over 90 days or with expenses of $50K or greater that require resolution to the RAS Director, monthly.
   iv. RAS Director will escalate to the Associate Vice President (AVP), RAS who will work with the department to determine on a case-by-case basis if unresolved SmarkKey should remain open or be closed, or if further escalation to the Vice President (VP) for Research Administration, as appropriate. The AVP, RAS should include the Chief Business Officer (CBO) of the appropriate school in the email and, at their discretion, the CBO can determine how to manage the situation. The Director of the RAS will follow up with the AVP and the CBO to determine the conclusion and resolution of the issue.

4) Moving a PAN from Advance to Active

a. After OSP has accepted the terms and conditions of the award, OSP will contact Finance, Grants and Contracts (FGC), who will change the status of the project from PAN to Awarded in Compass and notify the Post Award Administrator of this change via e-mail.

b. If the award is not made or accepted, the terms of the award prohibit certain expenses, or the start date of the award is not retroactive to the start date of the PAN, the Post Award Administrator is responsible for working with the PI/DA to transfer these expenses from the PAN to the guarantor account, discretionary account, or other non-sponsored account within 30 days of initial RAS notification. The Post Award Administrator will work closely with the DA to ensure the expenses are transferred as soon as possible.
   i. If expenses are not transferred 30 days from the original date of notification, the Post Award Administrator escalates to the local RAS Director.
   ii. If expenses are still not transferred by the 2nd month following original notification, the Post Award Administrator and RAS Director escalate to AVP, RAS.
   iii. After 60 days, the RAS Director and AVP, RAS escalate to VP for Research Administration within 5 business days to determine appropriate resolution.

IV. RESPONSIBILITY

Principal Investigator (PI):
- Identifying an appropriate guarantor account for the PAN.
- Certifying that the compliance approvals have been obtained.
- Approving PAN requests and supplying required pre-award documentation.
- Adhering to the institutional and sponsor cost charging principles and validating that all expenses are reasonable, allowable and allocable.
Post Award Administrator:
- Assisting the PI by initiating and completing the initial PAN request and identifying appropriate individuals for approval.
- Routing the final approval of the PAN to OSP.
- Assisting with cost transfers associated with the PAN if the award is not realized or if pre-award expenses are not permitted by the sponsor and assures that all costs are reasonable, allowable and allocable.
- Monitoring the PAN account on a monthly basis and notifying the proper individuals if the account is >90 days old or has >$50K in expenses.
- Submitting cost transfers if expenses fall outside the dates of the award.

Department Chair (DC):
- Signing and approving PAN requests or delegating a representative to sign on his/her behalf.

Division Chair:
- Signing and approving PAN requests or delegating a representative to sign on his/her behalf.

Department Administrator (DA):
- Assisting in identifying an appropriate guarantor account for the PAN.
- Working with AVP to determine, on a case-by-case basis, if unresolved PANs should remain open or close.

Office of Sponsored Programs (OSP):
- Setting up the PAN.
- Negotiating terms of the award, where applicable and contacting the sponsor for updates when the agreement is under negotiation.

Finance, Grants and Contracts (FGC):
- Changing the status of the award from Advance to Active.

V. EXCLUSIONARY COMPONENTS

A PAN will not be issued for Clinical Trials or Industry Sponsored Awards.

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