

Early Account Approval (EAA) Spending on Externally Sponsored Programs Policy- Plymouth State University

1. Background

EAA accounts, also known as "at risk" accounts, provide principal investigators the opportunity to initiate work under an externally sponsored program and begin incurring associated expenses prior to the conclusion of negotiations and the institutional acceptance of an award by an Authorized official. EAA accounts allow investigators an opportunity to:

- Begin a seasonally-dependent project;
- Place an advanced order for long lead time items (i.e., equipment);
- Provide continuity of funding for students and research staff;
- Record and track expenditures and eliminate the need to charge other unrelated accounts as well as the need to transfer expenses once an award is executed

2. Definitions

2.1 An Early Account Approval (EAA) account: is a budgeted account established in the University System of New Hampshire (USNH) financial accounting system for the purpose of permitting expenses in anticipation of receiving externally-sponsored funds for a Plymouth State University (PSU) program.

2.2 Pre-award costs are those costs incurred prior to the start date of the period of performance and in anticipation of an award where such costs are necessary for efficient and timely performance of the scope of work.

3. Policy

3.1 The Office of Research Administration may establish a unique EAA spending account on the authority of the Provost.

3.2 Establishing an EAA account does not create the ability to incur pre-award costs. Before incurring pre-award expenses, the investigator should consult with ORA to confirm that pre-award spending is permissible under the applicable regulations and terms and conditions of the award.

3.3 ORA will ordinarily establish an EAA upon request because PSU has an established history and previous dealings with a sponsor, and the issues to be resolved prior to executing an agreement are routine. There are cases, however, where terms and conditions that are of significant concern to the PI, ORA, and the University may have to be negotiated. In these instances, prior to establishing the EAA, ORA will identify known areas of concern and the associated financial and/or non-financial risks to ensure the investigator and the Provost are aware of the risks being accepted. Examples of negotiation issues include, but are not limited

to: publication restrictions and confidentiality requirements; intellectual property; and indemnification.

3.4 In making the decision to approve an EAA spending account for a specific program, the Office of Research Administration must have received reasonable assurance that the externally-funded award will be made to PSU and must evaluate the level of financial risk. Any expenses charged to the EAA spending account that are not reimbursed ultimately by the externally-funded award will be reimbursed first from any funds the PI has available in the form of returned indirect costs (IDC) and/or other non-restricted PSU funding sources. If a balance still remains, the institution must absorb the expenses.

3.5 The Provost will make the final determination about whether to approve or deny the request to establish an EAA. In the event of an EAA for \$500,000 or more, the Vice President for Finance and Administration must also approve.

3.6 The principal investigator, and ORA will endeavor to minimize the expenses against EAA spending accounts and minimize the time between establishing an EAA spending account and fully executed award. All expenses to EAA spending accounts must be allowable under the applicable regulations and terms and conditions of the award and must be incurred within the period of performance.

3.7 PSU will normally not assume the risk of guaranteeing sub-recipient costs under an EAA account, and requests for sub-recipient costs under an EAA must provide compelling justification.

4. Procedures

4.1 Requesting an EAA account: A principal investigator initiates an EAA request (form) and submits it to ORA for approvals, which include ORA, Director of the Center for Research and Innovation (CRI), and the Provost. The same procedure will be repeated to either increase the budget and/or extend the term of an EAA.

4.2 ORA will inform the Provost if it has any concerns about the terms in the award and will establish the EAA account upon Provost approval.

4.3 Period. The recommended period of an EAA is 90 days. Longer periods may be anticipated for awards being transferred into PSU (i.e., awards new faculty bring with them from another institution). ORA will review EAA accounts that have not been converted to active status within 90 days of the start date of the budget period, and dependent upon the circumstances, may continue the EAA or recommend to the Provost that it be discontinued until the award is in place.

4.4 Upon acceptance of an award by PSU, the account will be converted from EAA to Active status by ORA.