



## POLICY ON RISK PROJECT REQUESTS/APPROVALS

**Policy Number:** 5.0.5

**Version Number:** 003

**Classification:** Post-Award Administration

**Effective Date:** July 1, 2018

**Responsible University Office:** Grants and Contracts Administration

### 1.0 Purpose

The purpose of this policy is to provide guidelines and assign certain prerequisites and responsibilities for risk project approvals for sponsored (Fund 20) projects as required by 2 CFR 200 – “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards”.

### 2.0 Applicability

This policy applies to all potential awards for sponsored program proposals, regardless of funding source/sponsor. For the effective and economical conduct of a sponsored project, it is sometimes necessary for costs to be charged prior to receipt of the award. In such cases, the Principal Investigator is required to request the establishment of a risk project before charging costs. All costs associated with a proposal that has not been awarded must be charged to a risk project rather than an existing Fund 20 project or a departmental project.

### 3.0 Government Rules and Regulations

2 CFR 200.308(d)(1) allows recipients to incur project costs 90 calendar days on grant awards before the Federal awarding agency makes the Federal award. Expenses more than 90 calendar days of the award require prior approval of the Federal awarding agency. All costs incurred before the Federal awarding agency makes the Federal award are at the recipient’s risk. The Federal awarding agency is under no obligation to reimburse such costs if for any reason the recipient does not receive a Federal award or if the Federal award is less than anticipated and inadequate to cover such costs. Pre-award costs generally are not allowable on federal contracts.

See Grants and Contracts Administration web site for a link to the Uniform Guidance.

<http://www.clemson.edu/research/grants-contracts/>

## 4.0 Definitions

**Risk Project:** A project that is set up in advance of receipt of an award.

**Pre-award Costs:** Costs incurred prior to the effective date of the award directly pursuant to the negotiation and in anticipation of the award where such costs are necessary for efficient and timely performance of the scope of work.

## 5.0 Policy

A proposal must be received, evaluated, and approved by the Office of Sponsored Programs or the appropriate Office of Sponsored Programs Support Center prior to requesting a risk project. Risk projects are required for spending on pending proposals in which the stated guidelines and/or sponsor's policies allow the University to incur costs prior to an official award on condition that the sponsor has provided written communication to the PI or University and award processing has not been completed. A risk project is also valid/required for spending on awards if the start date has passed but the award has not been fully executed. Risk project numbers will not be allowed on private industry proposals unless there is written approval from the sponsor authorizing expenditures prior to contract execution. The Vice President for Research must approve risk requests for private industry projects.

All required compliance protocols (Human Subjects, Animal Subjects, Biohazard/Chemical, Recombinant DNA, and Export Control) must be approved or have developmental approval prior to initiation of the risk request. The Annual Conflict of Interest must be disclosed prior to initiation of the risk request.

The snapshot from InfoEd, an internal budget for the requested amount, and the sponsor communication, must be included with the Risk Project Request/Approval Form. In addition, a default chartfield must be provided on the form. This packet must be emailed from the Communications Panel in InfoEd to the Director of Grants and Contracts Administration for project setup.

A risk project number is valid for 90 days and up to \$50,000, or the amount proposed, whichever is less. If a project is not awarded within 90 days and more time/money is needed, acknowledgement by the Department Chair and Associate Dean for Research and approval by the Director of Grants and Contracts Administration are required.

If a risk project is not requested, cost transfers will not be allowed from an existing Fund 20 project to a newly established/awarded project. See Policy on Grants and Contracts Administration Cost Transfers.

Charges on a risk project that are disallowed or subsequently not awarded cannot be transferred to another Fund 20 project.

Charges incurred on a risk project will not be covered under the Policy for Management of a Sponsored Project Bad Debt if an award is not executed.

## 6.0 Responsibilities

The Principal Investigator (PI) submits the request to the Office of Sponsored Programs Support Center. The Support Center personnel gathers the appropriate documentation and routes for signatures. The Principal Investigator, Department Chair, Dean/School Director, and Vice President for Research (as applicable) sign the Risk Project Request/Approval Form prior to routing to Grants and Contracts Administration. The Director of Grants and Contracts Administration or his/her designee sets up the risk project and notifies the PI, the OSP Grants Administrator, the Post-Award Contact, and the Grants and Contracts Grants Manager.

## 7.0 Sanctions for Non-Compliance

Charges incurred prior to the sponsor's official start date are subject to disallowance unless provided by sponsor policy, or otherwise approved by the sponsor. Charges incurred on a risk project will not be covered under the Policy for Management of a Sponsored Project Bad Debt if an award is not executed.

## 8.0 Approval Signatures

This policy has been approved by:

  
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July 1, 2018  
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Tanju Karanfil, Ph.D.  
Vice President for Research

Date

REVISION HISTORY		
EFFECTIVE DATE	VERSION NUMBER	MODIFICATION
December 1, 2014	001	Original
September 1, 2017	002	Update language
July 1, 2018	003	Policy Reformat