

Risk Accounts Policy

Overview

The reason for requesting and establishing a Risk Account is that a researcher has received notification of a sponsor's intent to fund a research proposal but the issuance of the actual award document by the sponsor is delayed while there is an immediate need to initiate the research or continue existing work that benefits the sponsored project.

The establishment of the risk account provides the Principal Investigator (PI) access to funding by assigning a temporary account number in advance of the official award document, which can help in the proper assignment of costs at the beginning of the project and minimizes the need for cost transfers

All risk accounts will be monitored by the college to assess continuation of the risk.

Types of Risk Accounts

The college will support pre-award risk account, which allows the charging of expenses on federal and some non-federal sponsored projects. The duration of these accounts is typically less than 90 days prior to the start date of the award. OMB Circular A-110 gives authority to federal granting agencies to permit grantees to approve 90-day pre-award spending at the grantee's risk.

Compliance Issues

1. Since the college assumes responsibility for all costs unfunded by the sponsor, it is required that the researchers go through compliance reviews (Conflict of Interest (COI), human/animal subjects' approval) must be completed prior to the establishment of a risk Account.
2. When informed that an award is likely to be funded, the PI should alert the college to expedite the establishment of a regular account.

Requesting a Risk Account

If all of the applicable criteria above have been met, the PI may request the establishment of a risk account, forwarding all appropriate documentation to the college *Finance and Administrative Specialist* for further action. If approved by the college, the request will be forwarded to the Office of Sponsored Programs (OSP).

When submitting a request for a risk account there must be evidence that:

- An award is forthcoming and the start date is confirmed; and/or
- There is a need and it is necessary to incur costs prior to the start date of an award and the sponsor permits pre-award costs.
- A budget and justification outlining the use of the funds including any associated indirect costs (maximum budget would be limited to 3 months over the total project time multiplied by the total amount of the award).
- Compliance review is completed

Requests for a risk account must be submitted to and approved by the college. If approved, the request will be forwarded to the OSP using this form: <http://www.unlv.edu/assets/research/forms/Research-RiskAccountRequestForm.pdf>

Principal Investigator Checklist

The following checklist is intended to assist the PI in determining if a risk account may be established.

- The proposal has been recommended for funding. Documentation from the sponsor exists substantiating that the funding is imminent and includes a start date (for example, an email from the Program Officer).
- Does the Sponsor/Agency allow pre-award costs? (For non-federal awards check with the sponsor to determine if pre-award costs are allowable)
- Is this request to incur allowable pre-award expenses?
- Is it expected that the official notice of award or award document will be received after the project start date?
- Budget
- Justification of the requested budget
- Fill the OSP request for Risk Account form
(<http://www.unlv.edu/assets/research/forms/Research-RiskAccountRequestForm.pdf>)

Recovery of Cost When a Sponsor Does Not Provide Funding

- In the unlikely event that the award is not received the PI and PI's department are responsible for alternative funding source to cover all expenditures through their discretionary/IDCR funds. The college will take responsibility of outstanding costs after charging the PI and department's discretionary/IDCR accounts.