

Prespending on Sponsored Research Agreements

Responsibility

Responsible McCormick Official: Senior Associate Dean Richard M. Lueptow

Responsible Office: McCormick Office of Research Administration

Last Updated: October 8, 2020

Overview

Principal Investigators may initiate new sponsored research projects prior to the formal institutional acceptance of an award or amendment by the Office for Sponsored Research (OSR) by incurring associated expenses on a prespend account. However, prespend accounts inherently come with risk as the terms of the award have not been finalized or extended, and the funds have not been received by the University. When the PI is willing to accept this risk, a prespend account can be set up provided that the PI provides a guarantee discretionary (non-sponsored) chartstring under the PI's control that has adequate funds to cover any prespend deficit that would be incurred if the sponsor funding is not received. The McCormick Office of the Dean will not cover any deficits arising from prespend expenses.

Only requests that include either an award letter or other written documentation from the sponsor that the award or amendment is shortly forthcoming will be considered. Additional risk factors will also be assessed in the decision for approval.

The maximum spending on a prespend chartstring will be limited as follows unless special arrangements are made prior to the prespending with the McCormick Office of the Dean.

	Maximum Prespending
New Project	\$15K
Established Project, outyear funding	
Federal award	\$25K
Non-Federal award	\$15K

If the prespend account has been approved and the prespend limit approved by the Office of the Dean has been reached, work and spending on the project must stop unless special arrangements are made with the McCormick Office of the Dean including identifying a guarantee discretionary chartstring under the PI's control that has adequate funds to cover any additional prespending. Faculty salary, either academic year salary or summer salary, is not an allowable expense for prespend.

PI's should carefully consider the risks of starting or continuing a project based on prespending before final agreements are signed or funding is received at Northwestern. For any prespend account, the financial risk resides with the PI in the event the award is not made or not accepted, or if the terms of the award deem certain expenditures to be unallowable.

Requests for exceptions to this policy should be directed to the McCormick Director of Research Administration and must be approved by the Office of the Dean.