

C1: Sponsored Research Accounting and Compliance (SPAC)

C2: ALL SPAC

C3: Sponsored Projects/Advance Draws or Request for Advance Payment Invoices

Approval Date: 11/11/20

Approver: Laura Scarantino, AVP SPAC

Link:

PURPOSE

To document the process for a department's request to a SPAC Team to perform an advance draw or to request payment from a Sponsor for funds that are not included in the provisions of an agreement and are above expenses recorded in the UMB financial system for the award.

APPLICABILITY

This applies to all teams within SPAC that receive an advance payment request from a UMB department where the expense has not been recorded to the financial system.

The preferred payment by sponsors is in arrears; after the expense has been recorded in UMB's financial system.

If a UMB department requests advance payments from a sponsor, the request must be limited to the minimum amounts needed and timed in accordance with the actual immediate cash requirements in carrying out the purpose of the program.

Any Interest fee that is required to be paid by advancing payments is the responsibility of the department requesting the advance.

INSTRUCTION

If a department requests an advance payment for an award that ***is not included in the provisions of the award*** and the expense is not recorded in UMB's financial system the department must provide to SPAC:

1. Backup documentation to support the expenses that are to be drawn on included on an invoice that are not included in the financial system. This may include but is not limited to vendor invoices, Direct Retro calculations for salary cost transfers and/or debit memos.
2. If backup documentation is not available, there must be a cash forecast showing how funds will be spent within the next 30 days from the date of the request. This request must be approved and signed off by the Principle Investigator responsible for the award funding.

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If a cash forecast is provided to request the advance draw, the following are additional requirements:

1. The department must include correspondence from the sponsor agreeing to the advance draw.
2. The department must provide a departmental OSOAPF for SPAC to charge the interest calculated on the advance.
3. When the interest is charged to the OSOAPF, SPAC will advise the department.

All advance draws or final invoice that are not supported by backup documentation equal to the reportable costs must be reviewed and approved by a Director of AVP of SPAC.

All requests supported by a cash forecast must be reviewed and approved by a Director or AVP of SPAC.

Related Procedures:

Cost Transfers <https://www.umaryland.edu/policies-and-procedures/library/financial-affairs/procedures/financial-services/cost-transfers.php>

Payroll <https://www.umaryland.edu/policies-and-procedures/library/financial-affairs/procedures/financial-services/payroll.php>

Additional Support Resources

2 CFR § 200.305 – Payment <https://www.govinfo.gov/content/pkg/CFR-2016-title2-vol1/pdf/CFR-2016-title2-vol1-sec200-304.pdf>