**NON-COST REIMBURSEMIBLE GRANTS OR ADVANCES OF CASH FROM EXTERNAL SPONSORS**

Effective:

Revised:

Last Reviewed:

Responsible Office:

Approval:

**PURPOSE**

Some federal agencies and some non-federal sponsors provide cash in advance of the work to be performed under a sponsored project. This policy establishes the appropriate accounting treatment of these cash advances.

1. OMB Uniform Guidance 2 C.F.R. Part 200.305 (a) 8-9 requires that cash advances be deposited into an interest bearing account, and that interest earned on those advances be remitted annually to the Department of Health and Human Services (DHHS), Payment Management System.

2. Non-federal sponsors that provide cash advances and require that the cash be deposited into interest bearing accounts, may require that the interest earned be returned to the sponsor, or used to further the objectives of the award, depending on the terms of the award.

**POLICY**

1. Sponsored projects awarded to the University as described above must be credited to the Deferred Revenue - Grants suspense account. This is a temporarily restricted fund (TRF) which bears interest on positive cash balances.

2. The Office of the Controller will ensure that all such Sponsored Projects will be identified and designated as funds to earn TRF income.

3. The Office of the Controller will post the amount of any TRF interest earned on the funds identified on a monthly basis, calculated according to their written procedures.

4. The amount of interest earned will be based on the monthly TRF interest rate.

5. Interest earned on all federally supported projects will be reported to the sponsor as required at termination, and then transferred to a designated holding account

a. Within 90 days of the close of each fiscal year (close of ADJ period), the total amount of interest income earned on federal funds within the fiscal year will be remitted to DHHS, less the administrative allowance allowed.

6. Interest earned on non-federal awards will be accounted for in accordance with the terms of the specific award agreement.

**RELATED INFORMATION**

* DETERMINATION OF GRANT FUNDS VS. GIFTS
* GIFT POLICY

**ROLES AND RESPONSIBILITES**

|  |
| --- |
| PRINCIPAL INVESTIGATOR* Reviews awards with the Grants Accountant, the Office of Sponsored Programs, Title III Administration, and Institutional Advancement to understand which accounts are advance payment and require interest to be earned.
* Reviews awards at final close with Grants Accountant to determine any remaining balances as to whether it should be retained or remitted.
 |
| GRANTS ACCOUNTANT* Reviews awards with Principal Investigators, Office of Sponsored Programs, Title III Administration, and Institutional Advancement to determine which accounts are advance payment and require interest to be earned.
* Reviews awards to determine how much money has been received and how much interest has been earned.
* Reports the amounts of cash earned and interest earned on reports, as required.
* Reviews awards at final close with principal investigators to determine any remaining balances as to whether it should be retained or remitted, communicates determination to Research Services.
* Processes journal entries to retain or remit interest earned during the funding period as per the terms of the award.
 |
| OFFICE OF SPONSORED PROGRAMS* Identifies awards as advance payment and reviews award documents with Grants Accountant and Principle Investigator(s), communicate with Grants Accountant if those awards should be earning interest.
* Coordinates with Grants Accountant for closeout and identifying amounts that need to be retained or remitted.
* Reports the amounts of cash earned and interest earned on reports, as required.
 |

|  |
| --- |
| TITLE III ADMINISTRATION* Identifies awards as advance payment and reviews award documents with Grants Accountant and Principle Investigator(s), communicate with Grants Accountant if those awards should be earning interest.
* Coordinates with Grants Accountant for closeout and identifying amounts that need to be retained or remitted.
* Reports the amounts of cash earned and interest earned on reports, as required.
 |
| INSTITUTIONAL ADVANCEMENT* Identifies awards as advance payment and reviews award documents with Grants Accountant and Principle Investigator(s), communicate with Grants Accountant if those awards should be earning interest.
* Coordinates with Grants Accountant for closeout and identifying amounts that need to be retained or remitted.
* Reports the amounts of cash earned and interest earned on reports, as required.
 |