



# University of Nevada, Reno

## Office of Sponsored Projects Policy

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**Policy Title:** Memo Accounts

**Date:** September 2015

**Revision:** 2

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Memo account is the term used for new account set ups or modifications to current accounts in order to enable the charging of allowable project costs in the absence of certain award documentation from a sponsor.

New memo accounts are set up prior to the receipt of a fully executed award for a new project. Existing accounts are put on memo status by increasing the budget limitations prior to the receipt of incremental funds. An account's end date may also be modified prior to the approval of a no-cost extension. During the gap between the end date change and the approval of the no-cost extension, the account is considered to be on memo.

The principal investigator (PI) may request that the Office of Sponsored Projects (OSP) set up a new sponsored account or modify an existing sponsored account with a limited amount of funds for a 90-day period for one of the following purposes:

- Prior to the receipt of a fully executed award.
- Prior to the receipt of incremental funds.
- Prior to the approval of a no-cost extension.

Such spending authority is implemented through a "memo account" and is typically restricted to 90 days' worth of funds. The need to establish a memo account may arise due to circumstances as detailed below.

### **CIRCUMSTANCES IN WHICH A MEMO ACCOUNT MAY BE NECESSARY**

#### **Need for Pre-award Spending**

Pre-award spending occurs prior to the stated period of performance of the project. Under expanded authorities, some federal grants and cooperative agreements permit spending 90 days prior to the start of the performance period. Investigators who have an immediate need for funds in advance of the award start date may request a memo account for pre-award spending. It is important to clarify that most contracts do not allow spending outside the period of performance.

## **Initial Award or Incremental Funding Anticipated But Not Yet Received**

If an award has not been received or funds have not been released, a memo account provides access to funds to start the project before the actual award is received. In addition, many awards are funded on an incremental basis, meaning that authorization to spend funds for the entire performance period is not provided at the beginning of the project, and subsequent modifications are issued to obligate the future periods. Investigators may request a memo account if they require immediate access to additional funding when a modification obligating funds for the next increment has not been received.

## **No-Cost Extension Anticipated But Not Yet Received**

An authorization to extend the period of performance may be requested if additional time is necessary to complete the agreed upon project objectives. Such extensions typically require approval and/or notification from the sponsor. If funds remain, and the extension is officially granted but the modification has not been received, a memo account request can be completed to provide continued access to the project funds. Justification for an award extension must be based on the project objective(s), not merely to expend remaining funds.

## **REQUESTING A MEMO ACCOUNT**

When the PI and administrator determine that a memo account is needed, the PI must submit a [Request for Sponsored Projects Memo Account](#) (OSP-4) form signed by the PI, chair/director and dean/vice president. The following additional information must also be included with the request:

1. A budget outlining the use of the funds, including any associated indirect costs. The budget must reflect what was originally proposed to the funder or be revised prior to award.
2. The college/department must have soft funds to guarantee the amount for which the memo account is established. This account number must be provided at the time of the memo account request.

## **APPROVAL PROCEDURE**

Upon receipt of the signed Request for Sponsored Project Memo Account form and budget, OSP can establish a memo account or authorize additional funds as specified in the approved request. A copy of the signed form and original request will be filed by OSP in the appropriate award folder. When the anticipated award, modification or extension is received from the sponsor, OSP will update the account information to reflect the approved budget and period of performance.

## **RECOVERY OF FUNDS WHEN A SPONSOR DOES NOT PROVIDE FUNDING**

In the unlikely event that the award, modification or extension is not issued, the PI, chair/director and dean/vice president fully understand and agree that all expenditures will be covered by the university account provided to guarantee the memo account. OSP will notify the dean/vice president/chair/director prior to any such transfer.