

How to Request Advance of Funds on Outgoing Subawards

Procedure Background

The Uniform Guidance, 2 CFR § 200.305, allows for advance payments to lower tier recipients when those recipients lack sufficient working capital to perform the work. At UCSF, advances are limited to foreign subrecipients in [Low and Middle Income Countries](#).

Department Procedures to Request Advance of Funds to Subrecipient

- To request advance funding for a subrecipient, the subaward request form completer (generally OSR staff) will check the box for Working Capital Advance and add the amount to the blank field on the completed Subaward Request Form (“SRF”).
- The department must retain a copy of the request from the subrecipient that the subrecipient requires a working capital advance. Requesting an advance on the SRF certifies from the department that they have a request from the subrecipient.
- Required Additional Documents/Information:
 - Completed and signed (by PI and department administrator) **subrecipient monitoring letter**. This letter certifies that the PI and department administrator have read and understand all UCSF subrecipient monitoring requirements and agree that all subrecipient invoices will be signed and dated by both the PI of the project and by a UCSF departmental administrator with approved delegated signature authority for the prime fund. Signing of invoices cannot be delegated from the PI to another individual at the department if an advance fund request has been approved.
 - A **calculation of the working capital advance** showing the amount requested is within the limit. When the subrecipient requests upfront costs as part of the working capital advance, the calculation must also include an explanation of the upfront costs and the anticipated period of spending the upfront costs. Upfront costs are removed from the total annual amount before calculating the advance.
 - If the subaward already contains an advance, provide **back-up information sufficient to justify the additional advance**, including details about the amount of the remaining advance on hand.

OSR Procedures

- OSR shall designate all subawards with approved working capital advance payments as not low risk.
- Ensure a formal subrecipient monitoring letter (see above) signed by the PI and department administrator is received and attached to the subaward file in order to assure proper subrecipient monitoring of the subaward. Unless other factors are identified to that affect the risk assessment, the subrecipient monitoring letter for working capital advances shall suffice as the monitoring letter for the subaward.
- Ensure the amount requested is no more than 25% of the annual amount plus the purchase price of upfront costs including pre-approved equipment.
- The Subcontracts Team will include instructions regarding the advance into the formal subaward agreement by OSR.

See OSR FAQs for examples of how to calculate the working capital advance.

Note: Department Administrator – each department will determine who can sign the monitoring letter. The person should be someone within the department that has some financial oversight over sponsored research in the department.

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