

## How to Request Advance of Funds on Outgoing Subawards

### Policy Background

The Uniform Guidance, 2 CFR § 200.305, along with the NIH Grants Policy Statement, allow 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 resource-constrained countries.**

### Department Procedures to Request Advance of Funds to Subrecipient

- To request advance funding for a subrecipient, the subaward request form should be marked YES for the question that reads “Advance of Funds Requested” on the completed [Subaward Request Form](#).
- Along with the Subaward Request Form, the following must be supplied:
  1. Written request from the subrecipient that they lack sufficient working capital to start work without a fund advance. The document must be signed by a ranking officer of the subrecipient’s institution, *e.g.* the Chancellor, Vice Chancellor, President, CEO, CFO or Treasurer. Here is a [sample financial hardship letter](#). If a subrecipient has submitted hardship documentation on any subaward issued within the last 5 years, and that advance request was approved, the same documentation can be used to cover advance requests on other subawards to that agency. Please note that the hardship documents will only be valid for 5 years from the date of the hardship letter. New documentation must be submitted for review and approval to extend an institution’s eligibility after the initial five years. Contact OSR to determine if a financial hardship letter is on file and active at OSR.
  2. The PI must sign the completed [subrecipient monitoring assurance letter](#). This letter certifies that the PI has read and understands all UCSF [subrecipient monitoring requirements](#) and agrees 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.**

### OSR Procedures

- All subawards that have been approved for advance payment shall be designated by the OSR Risk Assessment Committee as at least **medium risk**, and a formal subrecipient monitoring letter (see item 2 above) signed by the PI must be placed in the OSR subaward file in order to assure proper subrecipient monitoring of the subaward.
- The maximum amount allowable on an annual basis is 2 months of the annual amount plus the purchase price of any equipment budgeted, unless an exception is approved.
- Instructions on how the advance payments will be made, invoiced and reconciled will be written into the formal subaward agreement by OSR.