

GUIDANCE MEMO NO. 02-23



Research, Grants and Contracts

DATE: September 23, 2022

TO: Research Faculty & Staff

SUBJECT: Risk Account Procedure (Pre-Award) *CH*

Purpose: This guidance provides information to research faculty and staff to use in determining if a risk account is needed to begin research activities and incur costs prior to the receipt of a fully executed contract, receipt of incremental funds, or receipt of an approved no-cost extension.

Action Requested: Only as needed, this procedure provides step-by-step instructions on submitting a Risk Account Request Form to the RGC office. Action is not needed unless activities need to commence prior to certain project triggers (described in the purpose section above). This action is considered to be a rare exception, and not a normal task of the research project cycle. This process will require a non-federal funding account (cost center) to secure the amount of any associated risk costs.

Summary and Background: "Risk account" is the term used for new account setups 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.

The principal investigator (PI) may request that the RGC set up a new financial account or modify an existing financial account to include a limited budget 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 "risk account" and is typically restricted to 90 days' worth of funds. The need to establish a risk account may arise due to circumstances as detailed in the Risk Account Procedure document.

Related Documents:

- [Risk Account Procedure](#)
- [Risk Account Form](#)