



Advance Payment to Subrecipients Guidelines

Introduction:

The Advance Payment to Subrecipients Guidelines aim to ensure the streamlined processing of advance payments from Colorado State University (CSU) to subrecipients, adhering to all sponsor and university requirements. This process is intended for situations where a clear need exists to enable a subrecipient to initiate work on a project. The primary objective of these guidelines is to promote equitable and efficient management of advance payments to subrecipients.

Authorization for Advance Payments:

In certain circumstances, CSU may need to advance funds to enable a subrecipient to commence work on a project. Federal guidelines, specifically Uniform Guidance (2 CFR 200), allow for advance payments to lower-tier recipients (Subrecipients) when these recipients lack the necessary working capital to perform the required work. Furthermore, the Uniform Guidance mandates the monitoring of subaward recipients.

In compliance with applicable regulations and university procedures governing pre-payments, adherence to the following guidelines is required if CSU chooses to advance payments to a subrecipient. In general, CSU will not advance payments if we are not already in receipt of the funding from the primary sponsor.

Request Initiation:

To request an advance payment for a subrecipient, the subaward requester must indicate when submitting the "PI Request to Initiate a Subaward" Quali Build form. A subrecipient letter, bearing the signature of an authorized representative of the subrecipient, must be uploaded to the request. Additional assurances will be required to serve as certification that the PI has reviewed and comprehends all 'CSU Outgoing Subaward Roles and Responsibilities' located on the [OSP website Subaward page](#).

- The subrecipient's letter requesting advanced funding must include details as outlined in the 'Sample Subrecipient Request for Advanced Funding Letter', also available on the [OSP website Subaward page](#).

Office of Sponsored Programs Review:

The Office of Sponsored Programs (OSP) will conduct a comprehensive review of all submitted materials to determine if there is sufficient justification to approve the advance payment request. Additionally, both the OSP and the Business and Financial Services (BFS) units will evaluate the request for advanced funding letter to ensure it is acceptable or if further negotiation is necessary.

Department/PI Responsibilities:

Throughout the project's lifecycle, the PI is responsible for monitoring its progress to ensure it aligns with expectations. Additionally, the PI should verify that the subrecipient submits financial invoices by the stipulated deadlines. OSP and BFS will not approve additional advance payments if the required financial reports are not received promptly.

Upon receipt of financial invoices from the subrecipient, the PI must review them for consistency with the subaward budget and adherence to the terms of the prime award. Any identified unallowable costs must be promptly communicated to the fiscal officer to communicate with OSP and the subrecipient.

Close communication between the PI and the subrecipient's administrative and/or financial contact is advisable in the event of any difficulties encountered during the award lifecycle.

The College also bears the responsibility for collecting any advanced funds that require return to the University. This may include costs deemed unallowable or advances that surpass the final expenditures submitted by the subrecipient. In cases where such funds cannot be retrieved from the subrecipient, the department will be held accountable for the uncollected funds.

These Advanced Payment to Subrecipients Guidelines are designed to facilitate efficient and transparent processes for managing advance payments while ensuring compliance with federal regulations and university policies.

OSP Procedures

Colorado State University (CSU) will issue an initial advance payment in the amount requested and agreed upon by the Subrecipient to support project activities. This advance is provided in good faith to promote continuous progress on the project and must be managed in compliance with all applicable federal and institutional financial management requirements.

After receiving the initial advance, the Subrecipient must submit itemized invoices to CSU at least once every quarter. Each invoice must reflect actual expenses incurred and include the project period dates, total expenses to date, amount previously invoiced, current amount requested, and the remaining cash balance (advance amount minus expenses).

After each invoice is received and approved, CSU will issue payment for the invoiced amount. This invoicing and payment process will continue throughout the subaward project period. However, 180 days before the project ends, CSU will review the remaining cash balance and begin reconciling any advance payments.

Final Reconciliation of Expenses

At the conclusion of the project, the Subrecipient must submit a final invoice marked "Final" no later than the date indicated in the agreement. This invoice must include a full reconciliation of all expenditures against the total amount of advance and invoiced payments. If the total amount advanced and/or paid by CSU exceeds the actual expenditures incurred, the Subrecipient shall remit the balance of unspent funds to CSU within thirty (30) days of submission of the final invoice.

Failure to submit timely and accurate invoices or to reconcile and return any unexpended funds may impact future funding and may result in other actions in accordance with applicable regulations and CSU policies.