What is an At-Risk Account?

- Internal action to create an account prior to award

- Allows project expenses to be incurred prior to the institutional acceptance of award

- Spending on these accounts is “at the risk” of the PI/dept, and they assume responsibility for expenditures if funding is not received
When to Use an At-Risk Account?

- Sponsor intent to fund, but award delayed
- Prolonged negotiations
- Programmatic need to hire personnel or purchase equipment
- Continuation of existing award (Year Logic)
General Updates to Guidance

- Last updated in 2004
- “Advance Accounts” → “At-Risk Accounts”
  - Referred to as At-Risk Accounts in GMAS
- Align guidance to current practices
- Better define roles and responsibilities
- Removed references to “Advance Account Reference Form”
  - Form no longer in use
General Updates to Guidance

Recommendations:

- Advise At-Risk period be for a “limited period”
  - Recommend no more than 120 days

- Advise setting up At-Risk Amount for only a portion of the award
Most Common Challenges

- Understanding the difference between At-Risk and Pre-Award Expenditure
  - At-Risk Accounts can be set up for increments of funding that are not yet awarded
  - Pre-Award Expenditure is a separate request approved by the sponsor to allow spending prior to the period of performance after an award has been made
- Staying informed on award status
- Monitoring spending
Financial Considerations

- At-Risk expenses are funded by Harvard

- At-Risk expenditures are excluded from invoicing and reporting to the sponsor

- Reimbursement by sponsor cannot requested until accounts are removed from At-Risk
Monitoring

- Monitoring begins at the local level as part of a department’s monthly account reconciliations, being mindful of:
  - At-Risk End Date
  - At-Risk Allocation

- Monthly University-wide At-Risk Report distributed to central offices and schools

- Quarterly review with school leadership
University-wide At-Risk

- **241 At-Risk Accounts**
  - Law School, 1
  - Wyss, 5
  - SEAS, 9
  - HKS, 13
  - FAS, 52
  - HSPH, 58
  - HMS, 103

- **$4.2M At-Risk Expenditures**
  - Law School, -
  - Wyss, 85,249
  - SEAS, 271,071
  - HKS, 505,200
  - HSPH, 519,418
  - FAS, 1,528,901
  - HMS, 1,414,812

- **22%**
- **3%**
- **35%**
- **6%**
Assessing the “Risk” of At-Risk

Time
- Assessed using the GMAS “At-Risk Period”

Dollars
- Comparison of expenditures against the GMAS “At-Risk Allocation”
<table>
<thead>
<tr>
<th></th>
<th>Time</th>
<th>Expenses</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HIGH</strong></td>
<td>No time remaining</td>
<td>Expenses exceed At-Risk Allocation</td>
</tr>
<tr>
<td><strong>MEDIUM</strong></td>
<td>Less than 25% of At-Risk Period remaining</td>
<td>Less than 25% of At-Risk Allocation remaining</td>
</tr>
<tr>
<td><strong>LOW</strong></td>
<td>Over 25% of At-Risk Period remaining</td>
<td>Over 25% of At-Risk Allocation remaining</td>
</tr>
</tbody>
</table>
High Risk: Time and Expenditures

- Beyond the At-Risk Period in GMAS
  - Highest Risk: Beyond end date and overspent
    - SEAS (1)
    - FAS (6)

- Overspent the At-Risk Allocation in GMAS

$246K

$56K
What can YOU do?

- Review and reconcile At-Risk accounts on a regular basis (monthly)
- Pay attention to:
  - At-Risk Periods that are ending soon
  - At-Risk Allocations that are within 25% of being fully spent
- Keep everyone informed of updates to funding
  - Dept, PI, Pre-Award, Post-Award
Resources

- Updated guidance available on OSP website
Update: Billing Agreements in GMAS

MARC TODESCO
ASSOCIATE DIRECTOR OF RESEARCH FINANCE, OSP
Billing Agreement Update

GMAS Release: September 9th

- Ability to enter *incoming* billing agreements in GMAS
- OSP Research Finance will perform invoicing and collections

*Harvard employees or trainees working at another institution on research related to a sponsored award*
• Overview of the new GMAS functionality and process

WebEx Dates:
• October 4th at 10-11 AM
• October 10th at 1-2 PM

Contact marc_todesco@harvard.edu with any questions