Pre-Award Provisional Accounts (PANs)

Policy Overview

A provisional account number (PAN) is an account number provided to the principal investigator for the purposes of initiating a sponsored project and incurring expenses prior to the institution’s receipt, acceptance, and processing of the award. This type of account is permitted and encouraged for particular projects and circumstances in order to facilitate project activities that must begin prior to the award, appropriate tracking of expenditures and to reduce the need to charge other unrelated accounts. In requesting and accepting a PAN, the department or school assumes any financial risk incurred in the event the award is not made, not accepted, or if the terms of the award deem certain expenditures to be unallowable.

Requesting and Issuing a PAN

I. Reasons/justification for requesting a PAN

There are generally three primary circumstances for which an investigator might request that a PAN be established for a grant:

1) to begin a new federal project prior to its start date that is subject to Federal Demonstration Project (FDP) terms and conditions (i.e. option of pre-award spending permitted up to 90 days in advance of the start date), or

2) to begin a project on the designated start date but prior to receiving the official grant award notice from the sponsor or the NOA from OSP, or

3) to continue a project, previously awarded as a grant and originally proposed for multiple years, for which the next year’s funding increment has not yet been awarded – only when a new account number for each year is needed. (*A PAN would not be needed and should not be requested when the account number for the project will not change.*)

A PAN should not be requested indiscriminately – that is, requests should be limited only to those projects (and the specific expense categories) that must begin before the award arrives. Generally a PAN should not be requested, nor should work begin, for a project under a contract for reasons of legal and compliance risk. The only exception would be for a subaward to Emory and an Emory investigator that falls under a grant awarded to another entity where the prime awardee verifies receipt of their award and authorizes pre-award spending, prior to receipt of the new or continuing Emory subaward.

II. Process for requesting a PAN

In order to establish a PAN, there are two items required:

1) a proposal on file with OSP that covers the project, budget and period for which the PAN is being requested, and
2) a PAN request form, which should be submitted to OSP with the required information provided or fields completed on the form based on the type of project/sponsor per the instructions (see www.osp.emory.edu/documents/PANFrom0420-07.pdf for the PAN form and link to the instructions).

One of the required fields will be the designation of the departmental guarantee account. The funding guarantee account designated on the PAN form should be a non-sponsored account with adequate funding to support the guarantee. If, for some reason, the anticipated award is not received or expenses are found to be unallowable under the terms of the award, expenditures incurred against the PAN account will be required to be funded by the designated departmental guarantee account.

For projects under grants where either pre-award spending is authorized or the award has been received, but where compliance approvals are still pending, a PAN will be granted provided that the investigator signs an explicit certification that selected aspects of the project must begin but that no activities or expenses related to the pending approval will be incurred until such approval(s) is/are in place. This will not apply to clinical trials, for which all approvals much be in place before a PAN or award can be issued.

III. Process for Issuing the PAN

If the required items and information/form are provided, and if the PAN can be granted per the policy, OSP will establish a PAN. The account number is issued to the Office of Sponsored Programs (OSP) by the Office of Grants and Contracts Accounting (OGCA), which is then provided to the investigator via the internal Notice of Acceptance (NOA) document processed by OSP. The PAN will continue to be used as the account number for the project after the award is received and processed.

Although there are projects and circumstances for which PANs will not be granted (e.g. clinical trials, selected contracts), there are many for which a PAN will be appropriate and encouraged. Establishing a PAN in those instances has no legal or compliance risks, very minimal financial risks, and facilitates project performance and elimination of cost transfers.