

## Index Fund Policy

Normally, expenditures may not be charged against sponsored programs before the effective date of a sponsored program award. However, late award receipt may be one reason, for example, for requesting a pre-award account due to delayed receipt of the award by the University. To allow preliminary operation and purchases for research, KSU will set up an account upon acceptable notification and allow preliminary spending to begin before receipt of the awarded funds. These “Index” funds will be protected by indirect funds earned by KSURSF and then reimbursed to KSURSF once the award funds are received. Index funds will be limited in both amount and scope in regard to the award.

1. Acceptable award notification will consist of one of the below:
  - a. Letter of Intent from the sponsor
  - b. Official email notification of award from sponsor
  - c. Other documentation approved by Sponsored Program
2. Awardee should only request the minimum amount needed to begin the project. Index Fund will be the lesser of:
  - a. 20% of total expected award
  - b. \$20,000.
3. Funder must be either Federal or State government, with few exceptions.
4. No subawards may be granted from Index Funds.
5. Cost must be necessary to conduct the project and allowable under the grant (if awarded) without prior approval.
6. Purchases are limited to those necessary for installation of award program. Allowable costs should be discussed and approved by Pre-Award staff and Grant Manager.
7. Request for Index Fund should be reviewed and approved by assigned Grant Manager, and KSURSF staff (Business Manager).
8. Financial tracking and recording will be the responsibility of Grants Accounting.