

**NOVA SOUTHEASTERN UNIVERSITY
OFFICE OF GRANTS AND CONTRACTS
POLICIES AND PROCEDURES**

POST AWARD ADMINISTRATION

FINANCIAL-DISPOSITION OF RESIDUAL FUNDS – FIXED PRICE CONTRACTS

EFFECTIVE 12-01-08

POLICY #51

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PURPOSE:

To establish the university policy and procedures concerning the disposition of funds remaining when a sponsored program has been completed and the funding for the program is a fixed price award.

DEFINITIONS:

Fixed Price Contract: An award where the university guarantees to deliver or perform the work within a specific period, at a fixed price agreed upon in advance, and payable, regardless of the actual costs. Fixed price contracts are billed either by a variable (based on units) or non-variable (based on set amount/set time) component.

POLICY:

The university will accept fixed price awards and will encourage negotiation that will ensure costs incurred will not exceed the agreed upon amount. Colleges/centers receiving these awards are responsible for charging all appropriate expenses to the award account.

All residual fund transfers must be reviewed and approved by the Office of Grants & Contracts (OGC). Large residual fund balance transfers (amounts greater than \$10,000) will:

- be reviewed to ensure all costs have been charged to the award;
- require written justification to transfer to a designated account; and
- require a certification by the principal investigator (PI) that all work has been completed.

REFERENCES:

None

PROCEDURES:

1. Once a fixed price award has been completed, no new obligations or expenses will be charged to the account after the end date.
2. If the total actual costs are less than the amount received, the remaining funds will first be used to recover the following, in the order listed below:
 - a) Waived facility and administrative costs in accordance with the terms of the waiver.
 - b) Overdrafts on other sponsored accounts of the PI or the department.
 - c) Audited disallowance on the PI's sponsored accounts except for those disallowances resulting from a system deficiency.

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- d) Uncollectible receivables of the PI or the department.

- 1. Contract and Grant Accounting will review all financial records for the award to confirm payment in full, full facilities and administrative costs recovery, transfers to cover overdrafts, and audit disallowances as indicated in step 2 above.

- 2. After the above procedures have been completed, Contract and Grant Accounting will initiate the approval of the fixed-price transfer by completing the Request for Use of an Unobligated Balance from a Fixed-Price Contract form. Contract and Grant Accounting will be responsible for obtaining the signature of the controller, the vice president for finance, the dean and the PI/PD. (In the case of a residual funds transfer greater than \$10,000, the PI/PD will attach a justification to the form).

- 3. Once the form has been reviewed and signed by the parties listed in step 2, the form will be forwarded to the OGC for review and approval. A copy of the form and justification, if applicable, will be included in the official award file.

- 4. Any funds that remain after Contract and Grant Accounting has reviewed, accounted for the items above, and received all required signature and approvals, will be transferred to the PI/PD or department's unrestricted account. Only the direct cost portion will be transferred.

- 5. Contract and Grant Accounting is responsible for the necessary accounting entries to distribute the remaining funds in accordance with this policy.