

Sponsored Programs and Research Services

Procedure Title: Distribution of Unrestricted Residual Funds from Fixed-Price Sponsored Program Agreements

Effective Date: 7/1/2015

PURPOSE: To establish guidelines and best practices for the transfer of residual income on fixed-price awards from a sponsored account. A significant residual income balance calls into question the integrity of accounting for costs related to the project. A written justification is required to adequately ensure that costs appropriate to the fixed-price account have not been incorrectly placed on cost reimbursable, federal or non-federal pass through accounts. CSU must have university-wide consistent procedures in place to allocate/account for efforts and costs. The policy must to the best extent possible match revenue and costs.

This procedure establishes CSU's Sponsored Programs & Research Services Grants Accounting process for identifying unrestricted residual funds from fixed-price sponsored programs and outlines the process for moving them out of their original restricted account. This procedure is designed to assure that unrestricted residual funds from fixed-price sponsored programs are used to advance the University's mission and is intended to help avoid conflicts of interest.

SCOPE: This procedure applies to all sponsored programs proposed on or after 7/1/2015.

DEFINITIONS:

Fixed-price agreement – an agreement in which the sponsor states that a set dollar amount will be given in exchange for a specific deliverable.

Sponsored program – an award funded via a grant, contract, cooperative agreement or subcontract from a federal, state or local government entity, the private sector, or an institution of higher education, whereby the University agrees to perform a certain scope of work, in accordance with terms and conditions set by the sponsor, for specific, budgeted monetary compensation.

Unrestricted residual funds – an unobligated balance in a sponsored program award at the time of closeout that is not required to be returned to the sponsor.

BODY OF THE PROCEDURE:

Unrestricted residual funds resulting from a fixed-price sponsored program award will be made available to the designated college account by transferring the funds to an established account that meet all of the following criteria:

- all terms and conditions of the award (including all deliverables) have been fulfilled;
- all expenses related to the project (except approved cost share if applicable) have been charged to the restricted account;
- the sponsor has paid the University in full;
- the University has been reimbursed for facilities & administration costs related to the project;
- residual amount less than 25% of the total amount awarded, with proper justification supported by CSU financials will be transferred to the designated account less indirects;
- residual amounts which are greater than 25% of proposed total project costs, which cannot be justified in writing and supported by CSU financial records are to be returned to the sponsors within 60 days of the project end date without further investigation.

RESPONSIBILITIES

Investigator – ensures that all terms and conditions are met, all deliverables are provided and that all appropriate expenses are charged to the restricted account.

SPRS Grants Accounting – ensures that the sponsor has paid the University in full and that the University has recovered its facilities & administration costs at the full federally-negotiated rate that was in effect at the time the award was received or at another rate as determined by the Vice President for Research at award set up.

SPRS Pre-Award – at the proposals stage reviews fixed-price agreements to ensure that the University is complying with applicable regulations and internal procedures such as consistency in budgeting costs and cost shared expenses.

PROCEDURE STEPS

- 1) At award closeout for fixed-price sponsored agreements, Grants Accounting will confirm that the sponsor has paid the University in full and will review the restricted account to determine if unrestricted residual funds exist.
- 2) Within 60 days after the project end date where unrestricted residual funds exist, the PI/College/Department will affirm that:
 - all terms and conditions of the award (including all deliverables) have been fulfilled; and
 - all expenses related to the project (except approved cost share) have been charged to the restricted account; and
 - if residual amount is greater than 25% of total award, provide written justification supported by CSU financial records.

- 3) Grants Accounting will calculate the facilities & administration costs on the total award at the negotiated rate that was in effect at the time the award was received or at another rate as determined by the Vice President for Research at award set up. The University will be reimbursed for its facilities & administration costs prior to the transfer of unrestricted residual funds to the designated account.
- 4) Grants Accounting will transfer the unrestricted residual funds to the designated account to be used by the college/department for other expenses related to research.