PURPOSE

To provide a systematic method to ensure accuracy and consistency in the disposition of overdrawn and residual fund balances in the accounts of completed fixed-price contracts.

AUTHORITY

Part Two, Chapter III, Section IV of the Bylaws and Rules of the University of Louisiana System. University of Louisiana System Policy and Procedure Memorandum FB-IV. (5) (Late Payment Penalty Clause for University Vendor Contracts).

DEFINITIONS

1. **Fixed-Price Contract** - A contract that provides for a price which is normally not subject to any adjustment unless certain provisions are included in the agreement.

2. **Unexpended Fund Balance** - Funds that remain in a completed fixed-price contract become institutional (UNO) funds. A fixed-price contract is considered completed only after all deliverables have been completed and accepted by the sponsor; all costs have been recorded in the accounting system (including any balance remaining in the indirect cost category); all appropriate adjustments have been made; and all payments from the sponsoring agency have been received.

3. **Available Fund Balance** - Funds available for use by the Principal Investigator after Procedure A, Steps 1 & 2 have been completed.

4. **Overdrawn Fund Balance** - Amount of expenditures in excess of total authorized budget that causes the project to be in an overdrawn position.
GENERAL POLICY

To set forth procedures for the disposition of overdrawn and residual fund balances in the accounts of completed fixed-price contracts.

PROCEDURE

A. Disposition of Unexpended Fund Balances

1. Upon completion of a fixed-price contract and final determination of the unexpended fund balance, the Office of Research and Sponsored Programs (ORSP) will first apply these funds to cover overdrawn projects belonging to the PI.

2. Following Step 1 above, any remaining unexpended fund balance in excess of $500.00 will be moved to a separate account accessible to the PI, while employed at UNO, for research purposes for a period of 24 months.

3. Following Step 1 above, any remaining unexpended fund balance of less than $500.00 will be transferred as outlined below in Procedures B (PI—No Longer Affiliated with the University) or C (PI—Active).

4. The current University fringe rate will be charged to all applicable salaries charged to accounts referenced in this policy.

B. Principal Investigator (PI)—No Longer Affiliated with the University

For a completed fixed-price contract when the PI is no longer affiliated with the University, all residual funds will be used to offset negative balances in other restricted accounts within the PI’s college. Any remaining funds will be transferred to the indirect cost reserve account of the Dean of the College.

C. Principal Investigator (PI)—Active

For a completed fixed-price contract in which the PI is active (still affiliated) with the University, all unobligated funds remaining, after the 24 month period referenced in Procedure A.2., will be transferred to the indirect cost reserve account of the Dean of the College.

D. Disposition of Overdrawn Fund Balances

For all expired fixed-price contracts having an overdrawn fund balance, the overdraft will be transferred to an account to be determined, on a case by case basis.

RESPONSIBILITIES

Principal Investigator will be responsible for providing, at the proposal stage, a budget purporting to be a reasonable estimate of costs to be incurred for the successful completion of the project. The PI will share the responsibility with ORSP for monitoring expenditures and project balance to ensure that all funds are expended by the expiration date of the contract. The PI will also be responsible for completing and submitting deliverables as required by the time table specified in the contract.
**Office of Research and Sponsored Programs (ORSP)** will be responsible for setting up a budget that is consistent with the terms of the award and which reflects the intent expressed by the PI in the approved budget. ORSP will be responsible for monitoring expenditures and project balances and of notifying the PI of any concerns related to the contract. They will also be responsible for timely submission of invoices and collection thereof.

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*Policy Updates:
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