



THE UNIVERSITY of
NEW ORLEANS

**ADMINISTERED BY: Office of Vice
President for Research and Economic
Development**

Policy No: AP-RE-07.2
TITLE: Close-out of Expired Fixed-Price
Contracts and Disposition of
Unexpended or Overdrawn
Fund Balances
EFFECTIVE DATE: March 6, 2014*
(*Policy Revised, see below)
CANCELLATION:
REVIEW DATE: Fall 2018

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. Available Fund Balance - Funds available for use by the Principal Investigator after all required steps have been completed.
2. 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. Accountability is based primarily on performance and results as outlined in Uniform Guidance 200.45 – Fixed amount awards.
3. Overdrawn Fund Balance - Amount of expenditures in excess of total authorized budget that causes the project to be in an overdrawn position.
4. Residual Funds – Amount of funds available after indirect costs have been fully assessed and PI overages have been covered, if applicable.
5. 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 award 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.

GENERAL POLICY

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

PROCEDURE

Expired fixed price contracts will be closed on their expiration date and no new charges will be allowed to post in accordance with Uniform Guidance (200.77 – Period of Performance).

The closeout process will be governed by Uniform Guidance (200.343 – Closeout) to ensure that all administration actions and all required work of the award have been completed.

In order to transfer residual funds in an expired fixed price contract, the PI will submit the Office of Research and Sponsored Programs (ORSP) **Fixed Price Closeout Request Form**. The Principal Investigator, Department Chair/Director and Dean will certify the following:

1. All work has been completed and all interim and the final progress/technical reports have been submitted as required in the contract and copies were provided to ORSP.
2. All commitments have been cleared (encumbrances closed, phone lines moved, salary changed to another speedkey, etc.) and the PI, or their designee, has reconciled the account.
 - a. All salaries have been charged commensurate with effort commitments made to the sponsor in the proposal and/or award.
 - b. All allocable charges associated with the scope of work have been properly charged to the award and have not been charged to the general fund, another sponsored project, nor any other university account.

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 Post Award, will first apply these funds to cover overdrawn projects belonging to the PI.
2. UNO's full indirect rate will be charged on the entire remaining award budget, even if a lower rate was allowed at the proposal stage.
3. Residual balances should be no more than 15% of the awarded budget and amounts in excess of that will be retained by the Office of Research and Sponsored Programs. Following Step 2 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 and scholarly purposes.
4. 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).

5. 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, full indirect costs will be assessed and then all residual funds will be used to offset negative balances in other restricted accounts within the PI's college or Board of Regents (BoR) approved center/institute. Any remaining funds will be transferred to the indirect cost reserve account of the college or (BoR) center/institute.

C. 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. If the PI has a fixed price residual account, that will be used to cover the overage first.

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) Post Award will be responsible for monitoring expenditures and project balances and of notifying the PI of any concerns related to the contract. Post Award will also be responsible for timely submission of invoices and collection thereof.

Office of Research and Sponsored Programs (ORSP) Pre Award 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.



John W. Nicklow
President
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**Policy Updates:*
Revisions: 4/1/2015
5/11/2017