## 13.7 Fixed Price Contracts – Residual Balance

### Policy Statement

Fixed Price/Fee-for-Service accounts with greater than $500 in residual balance may be extended for six months following the project's completion or final ending date, or may be transferred to the Department's “950” residual balance account. Fixed Price/Fee-for-Service accounts with less than $500 in residual balance will automatically be transferred to the Department’s “950” residual balance account.

### Reason for policy

The purpose of this procedure is to (1) provide access to residual funds in restricted fixed price accounts where the statement of work has been completed, (2) ensure that the expenditure of residual funds in these accounts are not restricted by the former sponsor’s requirements but continue to follow University and State purchasing guidelines, and (3) minimize the burden placed on the institution’s financial operations regarding oversight of these accounts.

### Procedures

In order to extend or transfer a restricted account residual balance greater than $500, a Request for Access to Residual Balance form ([http://www.busfin.uga.edu/contracts_grants/residualbalance_form.doc](http://www.busfin.uga.edu/contracts_grants/residualbalance_form.doc)) must be submitted to Post Award Accounting. The Principal Investigator, Department Head/Director, and Dean, or their appointed designees will confirm the following:

I. All work has been completed and all project costs have been incurred and charged to the project’s restricted account. No project costs were charged to a separate UGA account, account of a UGA affiliate (UGA Foundation, UGARF, etc.), or third party funding source. If project costs were charged to a separate account, attach an accounting of those costs and justification for charging to a separate funding source.

II. All interim and final technical reports have been submitted to the sponsor and copies sent to the Office for Sponsored Programs.

For residual balances in excess of 25% of the total award amount, the PI must provide explanation as to how excessive funds remain while still achieving the statement of work.

Upon receipt of the completed Request for Access to Residual Balance form described above, any remaining facilities and administrative costs (overhead) will be charged to the residual fund balance and the remaining funds will either remain in the restricted account for a period of six months or will be transferred to the department’s “950” residual balance account. After the six-month extension period has expired, the remaining funds will then be transferred into the “950” residual balance account for departmental use. The original restricted account will be closed out and deleted.

Restricted Various Accountswith balances less than $500 and no additional deposits anticipated, or any various account that remains inactive for a period of one year will be transferred to the “950” residual balance account and closed. A notification letter will be sent to the principal investigator and account administrator prior to transfer and close of a various account.

Departments, Centers, or Units are permitted to establish “950” residual balance accounts for the purpose of transferring residual balances. The purpose of this account is solely for receipt of residual balances of multiple fixed price/fee-for-service or inactive gift funds in various accounts, which remain after their specified time limit. The Department, Center, or Unit is responsible for maintaining the residual balance account records including principal investigator balances. No other funds or income may be deposited into this account.
Forms/Instructions

Additional contacts
Gail Chester

**Phone Number:** 706-542-9230

### Policy definitions

**Fixed Price**  
A sponsored agreement or contract established within a University restricted account whereby the sponsor agrees to pay an agreed upon price, for an agreed upon product or deliverable.

**Fee-for-Service**  
A sponsored agreement or contract established within a University restricted account whereby the sponsor agrees to pay an agreed upon price, for agreed upon services or individual tasks performed.

**Various Accounts**  
Donations or gifts made to the University of Georgia established within a University restricted account for the benefit of a particular department activity, principal investigator, or general field of research.

### Responsibilities

**Responsible University Senior Administrator:** Vice President for Finance & Administration

**Responsible University Administrator:** Associate Vice President and Controller

**Policy Owner:** Post Award Accounting

**Policy Contact:** Gail Chester

**Phone Number:** 706-542-9230

### Record Retention

This series provides a record of the establishment and administration of individually sponsored grant and contract restricted funds accounts, documents compliance with fiscal reporting requirements, and includes billing information for accounts receivable from sponsoring agencies and from departments for gift account fees. Grants may be federal, state, corporate, or private. This series may include but is not limited to: project summaries; grant authorizations; contract documents; project budget change and adjustment forms; invoices; receipts; cashier's receipts; equipment purchase orders; prior approval request forms; account request forms; vendor telephone contact logs; subcontracts; sponsored programs post award accounting monthly budget summary statements; institution billings balance sheets; reports for sponsored programs post award accounting that are operating on direct payments; final financial reports; property reports; patent/invention reports; contractor's release report; assignment of refunds and rebates documents; equipment disposition reports; and related documentation and correspondence.

**Record Copy:** Institutional Archives; Post Award Accounting

**Retention:** Contracts, patents, and agreements for use of research outcomes: Permanent. All other accounting records: 7 years after final financial report is submitted and the account is closed, unless otherwise specified as longer by the terms of the contract

**Citation or Reference:** OMB Uniform Guidance; BOR Research Grant Records 0472-09-006

**Program Income** | **Sub recipient Monitoring**

### Policy Dates

**Effective Date:**

**Date Last Updated:** 06/13/2017

**Date of Last Review:**

**Date of Approval:**
Previous Version of Policy: