13.7 Fixed Price Contracts – Residual Balance

Policy Statement

- Fixed Price/Fee-for-Service projects are subject to Residual Balance Policy following the project end date. In all cases, the project may be processed as residual balance after completion of the final financial report and receipt of all payments.
- Prior to transfer of the residual balance, any remaining Facilities & Administrative (F&A) costs will be deducted from the project’s residual balance in one lump sum (at the rate assessed at the time of award).
- Extension of Fixed Price/Fee-for-Service projects balances greater than 10% of the total award will require completion of a Residual Balance Request form.
- Once the RBP form has been reviewed and approved by SPA, end date will be extended for two years. For remaining balances less than 10% of the total award, completion of Residual Balance Request form is not required.
- Projects with balances greater than $100.00 in residual balance will automatically be extended for two years.
- Projects with balances of less than $100.00 will automatically be transferred to the Department’s residual balance chartstring.
- Account codes for Personnel (salaries and benefits), Travel (domestic and foreign), Operating expenses and General Office Supplies will be opened when RBP extension is processed.
- All other account codes to be opened should be requested through the Grants Portal.
### Residual Balance Policy Closeout Matrix

<table>
<thead>
<tr>
<th>Residual Balance Policy Closeout Matrix</th>
<th>Financial Report Completion Required by SPA</th>
<th>Moved to Departmental Residual Balance Chartstring</th>
<th>Extend End Date for 2 years</th>
<th>Residual Balance Request Form Required</th>
<th>Explanation from PI Required</th>
<th>Review of SPA Director Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $100.00</td>
<td>YES</td>
<td>YES</td>
<td>NO</td>
<td>NO</td>
<td>NO</td>
<td>NO</td>
</tr>
<tr>
<td>Between $100.00 and 10% of total award</td>
<td>YES</td>
<td>NO</td>
<td>YES</td>
<td>NO</td>
<td>NO</td>
<td>NO</td>
</tr>
<tr>
<td>Greater than 10% of total award</td>
<td>YES</td>
<td>NO</td>
<td>YES</td>
<td>YES</td>
<td>NO</td>
<td>NO</td>
</tr>
<tr>
<td>Greater than 25% of total award</td>
<td>YES</td>
<td>NO</td>
<td>YES</td>
<td>YES</td>
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<td>NO</td>
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<tr>
<td>Greater than 50% of total award</td>
<td>YES</td>
<td>NO</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
</tr>
</tbody>
</table>

### Reason for policy

The purpose of this policy is to (1) provide access to residual funds in fixed price sponsored projects where the statement of work has been completed, (2) ensure that the expenditure of residual funds in these projects 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 projects.
Procedures

In order to extend a sponsored project residual balance greater than 10% of total awarded amount, a Request for Access to Residual Balance form must be submitted to SPA as a modification through the eResearch Portal.

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 sponsored project. No

II. Project costs were charged to a separate UGA project or chartstring of a UGA affiliate (UGA Foundation, UGARF, etc.), or third party funding source. If project costs were charged to a separate project or chartstring, attach an accounting of those costs and justification for charging to a separate funding source.

III. All interim and final technical reports have been submitted to the sponsor and copies sent to Sponsored Projects Administration PreAward.

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. Balances of 50% or greater will require review by SPA Post Award Director.

Upon receipt and approval of the completed Request for Access to Residual Balance form described above, the project will be extended for spending for a two year period. After the two year extension period has expired, the remaining funds will then be transferred into the project departments residual balance chartstring for departmental use.

Departments, Centers, or Units are permitted to establish residual balance chartstrings in fund 20400 with class code 64RBP for the purpose of transferring residual balances <$100.00. The purpose of this chartstring is solely for receipt of residual balances of multiple fixed price/fee-for-service sponsored projects, which remain after their specified time limit. The Department, Center, or Unit is responsible for maintaining the residual balance chartstring records including principal investigator balances. No other funds or income may be deposited into this chartstring.

Forms/Instructions

Additional contacts
Gail Chester

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

Policy definitions

**Fixed Price** A sponsored agreement or contract established within a University sponsored project 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 sponsored project whereby the sponsor agrees to pay an agreed upon price, for agreed upon services or individual tasks performed.
Responsibilities

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

**Responsible University Administrator:** Associate Vice President for Finance Division

**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 projects, documents compliance with fiscal reporting requirements, and includes billing information for accounts receivable from sponsoring agencies. 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; SPA 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

Policy Dates

**Effective Date:**
**Date Last Updated:** 04/09/2020
**Date of Last Review:**
**Date of Approval:** 04/09/2020