Policy for Residual Funds on Sponsored Projects
(Revised September 2018)

Policy Statement
Occasionally, sponsored projects take the form of “fixed fee contracts”. In these instances, payment is not provided on a cost-reimbursement basis, but in full amounts based on deliverables. In addition, other types of sponsored project funding allow residual funds to be retained by the University. As such, the PI assumes the risk that the project might be completed at a higher cost than proposed. In some cases, the project might have residual funds remaining after all project deliverables have been met. This policy addresses how BSU treats those remaining funds.

Please note that consistent inflation of budgets on fixed fee contracts and similar sponsored projects will be addressed by the appropriate administrators. Fix fee arrangements are agreed on the premise that both parties are acting in good faith and assuming financial risk.

Reasons for Policy
Until recently, fixed fee contracts were not common at BSU. In addition, any residual funds were quite small, often under $1,000. With an increase in this type of funding mechanism, and an increase in the amount of residual funds remaining, a policy is require to dictate how funds will be distributed.

Procedures
The following steps will be followed when handling residual funds on fixed-fee contracts:

- All direct costs must be covered and final deliverables submitted to the sponsor
- If not initially budgeted, full indirect costs on the initial awarded amount will be recovered (PI may receive a portion of these funds per the Indirect Cost Distribution Policy)
- If cost-share funding was provided, those units will be reimbursed, within the terms of the agreement, and at the discretion of unit head.
- The remaining funds will be distributed according to the following schedule. Co-PI, Co-Departments, and Co-College splits will be at the discretion of the respective personnel and administrators. If the amount is less than $250, the full amount will be placed in the PI’s Research Incentive Account.
  - 62.5% to the PI Research Incentive Account (RIA)
  - 25% to the Department IDC Recovery Account
  - 12.5% to the College IDC Recovery Account
Exceptions
In the event of the units providing cost-share, the department, or the college wish to forgo their portion of distributed residual funds, they must note so in writing, provided to the responsible Grant Manager.

In recognizing the individuality of each contract, SPA will ensure all relevant contractual obligations are followed.

All final decisions will be held at the level of Associate Vice-President for Research.

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