

Office of Sponsored Programs
Policy on Residual Balance Amounts on Fixed Price Sponsored Agreements:
Effective date: March 1, 2010

Background:

A Fixed Price Sponsored Agreement is an agreement where the University of Nebraska Lincoln agrees to perform an agreed upon set of specified deliverables in exchange for a set (fixed) amount of compensation. Typically, the sponsors agree to the scope of the work to be performed, with an agreed upon value, but provide no details of how the funds are to be spent. Such agreements may result in a situation where a residual amount (payment for the specified deliverables exceeds expenses) or a deficit amount (expenses exceed the agreed upon payment amount) exists upon the fulfillment of the agreement.

It is important the cost center used to collect payments and record costs accurately reflect the true costs of the deliverables. In additions, costs used directly in support of fulfilling the agreed upon terms, are subject to the Office of Management and Budget (OMB) 2CFR Part 220, Cost Principles for Educational Institutions.

Residual Amounts:

When work is completed on the agreement, concurrence with sponsor has been received, and all project expenses have been charged to the award, the residual balance will first be used to cover Facilities & Administrative (F&A) costs up to the maximum budgeted amount. The remaining residual balance will be transferred to an existing revolving or auxiliary cost center to be determined by the Department Chair using available accounts is possible.

In order for the transfer to be performed, the Residual Balance Transfer Form must be completed by the Principal Investigator and signed by the department chair or dean. The following items must be confirmed or provided:

- 1) All the work on the project has been completed
- 2) No outstanding items remain open or in question with the sponsor
- 3) All reports have been received and accepted by the sponsor
- 4) All costs for the project are applied to the project's WBS.
- 5) All payments for the project have been received from the sponsor.
- 6) If the residual balance is greater than 25% of the awarded amount, an explanation of the amount is required. A residual of this amount may signify a change in scope and is subject to review by the sponsor and auditors.
- 7) Cost center where the residual will be transferred to.

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When the transfer form is completed and sent to the Office of Sponsored Programs, OSP personnel, after deducting that portion of costs that would be charged to F&A if the entire amount had been spent, will transfer the residual balance to the Cost Center indicated. If no Cost Center is specified within 45 days of the request, the residual will be transferred to an account which will be selected by OSP and the College will be notified of the transfer. Residual funds cannot be transferred directly to another sponsored agreement; however, they may be used to fulfill cost share or match agreements of another sponsored agreement. Costs not associated with the performance of this award should not be charged to the WBS used to track the activity of the award to 'use up' the funds as this will distort historical costs of fulfilling this agreement.

Each department or center is permitted to establish one pooled restricted cost center for the purpose of transferring small residual balances.

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UNIVERSITY OF NEBRASKA-LINCOLN
CERTIFICATION OF FIXED PRICE PROJECT COMPLETION FORM

WBS: _____ Sponsored by: _____

I certify that:

- All the work on the project has been completed
- No outstanding items remain open or in question with the sponsor
- All reports have been received and accepted by the sponsor
- All costs for the project are applied to the project's WBS.
- All payments for the project have been received from the sponsor

Total Budget: _____

Total Expenditures: _____

Residual Amount: _____

Cost Center to transfer residual amount to: _____

Is residual amount greater than 25% of the budgeted amount? (circle one) YES NO

If yes, please explain the residual balance

Principal Investigator

Dean/Chair

Date

Date

Submit form to: Office of Sponsored Programs, 151 Whittier Research Center, Lincoln, NE 68583-0861

OSP USE ONLY:

Date transferred: _____ SAP Document number: _____