



THE UNIVERSITY of
NEW ORLEANS

ADMINISTERED BY: Executive Director for
Research and Economic Development

Policy No: AP-RE-07.3
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: Spring 2026

PURPOSE

To provide a systematic method ensuring 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. **Facilities & Administrative Costs (Indirect Costs)** – A federally negotiated rate for costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved per Uniform Guidance 200.1 Definitions. Items included in the F&A federally approved rate are generally not allowed to be direct charged to grants because the costs are already recovered via the F&A rate charged to the award.
3. **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 200.1 and 201 – Fixed amount awards.
4. **Overdrawn Fund Balance** – The amount of expenditures in excess of the total authorized budget that causes the project to be in an overdrawn position.

5. **Residual Funds** – The amount of funds available after the project has been completed, have been fully assessed and PI overages have been covered, if applicable.
6. **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, unless the contract has been modified in accordance with Uniform Guidance (200.309 – Modifications to Period of Performance).

The closeout process will be governed by Uniform Guidance (200.344 – 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 **Fixed Price Closeout Request Form**. The Principal Investigator, Department Chair/Director and Dean will certify the following:

1. All work has been completed, all interim and the final progress/technical reports have been submitted as required in the contract and copies were provided to Office of Research to maintain the UNO grant system.
2. All commitments have been cleared (encumbrances closed, phone lines moved, salary changed to another Worktag, 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, to another sponsored project, nor to 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, 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. After the completion of Step 2 above, any remaining unexpended fund balance will be moved to a separate account accessible by the PI, while employed at UNO, for research and scholarly purposes.
4. A PI Enhancement account will not be created unless the return is \$500 or more. Once a PI Enhanced account has been created, any future or remaining unexpended fund balance will be transferred to the PI Enhancement account.
5. The current University fringe rate all applicable salaries will be 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 department, 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 Office of Research 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 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 the timely submission of invoices and collection thereof.

Office of Research 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
University of New Orleans

**Policy Updates:*

Revisions: 05/01/2023

05/11/2017

04/01/2015