

FLORIDA STATE UNIVERSITY
POLICY 7A-11
FIXED PRICE RESIDUAL FUNDS

Responsible Executive: Gary K. Ostrander, Vice President for Research
Approving Official: Gary K. Ostrander, Vice President for Research
Effective Date: [August 1, 2018](#)
Revision History: [March 29, 1999](#); May 1, 1999; June 29, 2012; and [August 1, 2014](#)

I. Introduction

A fixed-price award is an agreement where sponsor payments are based on fixed amounts according to a payment schedule, stated deliverables and satisfactory performance.

A residual balance is the funds remaining in a fixed-price project after all expenditures have been incurred in completing the statement of work.

This document establishes a policy to ensure the appropriate use of the residual balance on fixed price agreements.

II. Policy

Residual balances in a fixed-price project will be distributed in accordance with this policy when the following conditions are met:

- All expenditures incurred in completing the project, including salaries, and Facilities & Administration (F&A) costs have been charged to the project and paid.
- All technical and fiscal reports have been submitted and all deliverables have been completed and accepted by the sponsor.
- All payments from the sponsor have been received.
- A Request for Access to Residual Balance form has been completed. (Residual balances that exceed the lesser of 15% of the original award amount or \$25,000 require additional explanations as to how the excessive funds remain while still achieving the statement of work. Residual balances greater than 50% of the original award amount require OVPR approval.)

After all of the above conditions are satisfied, the residual balance will be distributed as follows:

- If the award was accepted with an F&A rate less than the federally negotiated rate agreement in effect at the time of the award, the residual balance will first apply towards recovering full F&A cost of actual expenditures. The Office of Research and PI will split the funds 50% each until full F&A costs have been recovered by the Office of Research. These funds will be placed in the SRAD distribution pool.
- Once the full F&A costs have been recovered by the Office of Research, or if the award was accepted at the federally negotiated rate agreement in effect at the time of the award, the remaining residual balance will be distributed 75% to the PI's Research Support account to use in furthering the research mission of the university and 25% to the Office of Research to support faculty research programs at the university.

Deleted: for the use of funds remaining after all costs incurred in performing a project have been charged to a fixed-price award.

Deleted: After completion of all deliverables required under a fixed-price award, after costs in fulfilling the requirements of the award have been charged to the account, and after full payment from the sponsor has been received, indirect costs will be recovered at the University's current federally negotiated rate to the extent funds are available. If funds remain after charging the full indirect costs and within sixty (60) calendar days after the closing date of the contract, the Principal Investigator (PI) may submit a request with a budget to the Vice President for Research proposing to use the remaining residual funds for other specific research activities. The Vice President for Research will consider the proposed activities in the context of goals and research priorities of the University. The request will be approved if the project is consistent with broader University priorities. In that case, funds will be transferred to an account established for the PI for the proposed purposes. If broader University or research activities have higher priority than those proposed, the residual funds will be utilized to support research enhancement efforts designed to move FSU's research and graduate educational activities toward enhanced national status. The Council on Research and Creativity will advise and counsel in this process. ¶

Deleted: May 1, 1999 Amendment to Policy ¶

Deleted: <#>The first \$75,000 of the residual balance will be transferred to an account for the Principal Investigator for use in furthering the research mission of FSU. The account will be entitled "PI Research Support." ¶
<#>The residual balance in excess of \$75,000 will first be used to cover indirect cost at the University's current federally approved rate. The indirect costs will be included in the SRAD pool and will be distributed in accordance with the SRAD distribution policy. Of the remaining amount, fifty (50) percent will be transferred to the PI Research Support account to further the research mission and fifty percent will be maintained to support faculty research programs at the University. ¶
<#>June 29, 2012 Addition to Policy ¶

Residuals less than \$500 will be transferred to the department's SRAD Allocation account if the PI does not have an existing PI Support account.

III. Legal Support, Justification, and Review of this Policy

Fla. Stat. 1004.22. These policies will be reviewed when changes are necessary.

Gary K. Ostrander, Vice President for Research
[August 1, 2018](#)

Deleted: If the Principal Investigator's salary and research program are supported entirely from external funds, an exception to this policy will be considered. ¶