

WWU Standard on Residual Funds from Fixed-Price Grants and Contracts

Definitions

Residual Funds Funds remaining in the grant or contract at the end of the performance period after all deliverables have been met.

Fixed-Price Contract/Grant A grant or contract in which the funder agrees to a fixed cost and defined set of deliverables.

Background

In general, fixed-price contracts are written based on a good-faith estimate of the full cost of performing the contracted work. Occasionally however, actual costs are less than projected costs, leaving a positive balance at the conclusion of the contract. In such cases, when all deliverables have been met, the funder may allow residual funds to remain with WWU. This Standard describes the handling of such funds.

Management of Residual Funds by the Office of Research and Sponsored Programs

If the residual balance in a fixed-price contract exceeds \$500 at the the termination of the contract, the full remaining balance will be transferred to a pooled RSP account for management on behalf of the Principle Investigator (PI). Funds will be placed in an account with a unique activity code associated with the PI, and can be accessed by the PI for allowable research costs. After five years, or once the balance falls below \$500, whichever comes first, the fund will be closed and any residual balance will revert to support general faculty research, scholarship, and creative activities.

Funds may be used to support the PI's research, scholarship, and creative activities, as well as teaching, and professional development, broadly defined. Allowable expenditures include travel to conduct research, travel to professional venues or during professional leaves; research equipment, materials and supplies; or the hiring of student research assistants and postdocs. Funds must be used to advance the mission of the university and not create a possible conflict of interest for the PI.

Expenditures should be initiated in the PI's department, with associated documentation routed through RSP (e.g. completed payment, purchase, or travel form as well as back up documentation such as invoices, receipts, etc.). PIs are responsible for ensuring sufficient funds are available before incurring any expense, and that the expense is allowable within the guidelines described here, as well as with the University's purchasing, travel, and/or reimbursement policies. PIs may contact RSP at any time to check account balances or for guidance on the allowability of a planned expenditure. Over- expenditures, and unallowed expenditures will be charged back to the PI's department.

To access funds:

- Route completed payment, reimbursement, purchase, travel or other forms with all backup documentation to RSP for coding and approval.
- Include the PI's name and activity code on all paperwork.
- All expenditures must follow the University's purchasing, travel, and/or reimbursement guidelines.