

Residual Funds

Unexpended funds from all sponsored projects in the SPNSR fund will be considered residual funds if all the following conditions are met:

1. The contract is fixed price (i.e., there is no provision for return of unexpended funds to the sponsor).
2. All payments required under the contract have been received by the University.
3. All required project work is complete, and all reports and other deliverables have been provided to the sponsor.
4. All expenses related to the project have been properly charged to the account.

If all the above criteria have been satisfied, the unexpended direct cost balance in the account will be transferred to the NONSP account of the department that administered the sponsored project. The unexpended indirect cost will be credited to the F&A pool. Residual funds transferred to the NONSP fund will not be subject to further indirect cost.

- The unexpended direct cost balance will be calculated by pro-rating the total cost unexpended balance by the indirect cost rate applicable to the project.
- Residual funds that do not have to be returned to the sponsor will be treated as follows:
 - For awards where 60% or more of the budgeted direct costs have been properly charged to the project (i.e. 40% residual), the remaining direct cost balance of the award will be transferred to the applicable Department/Center, to be used at their discretion to further research or other sponsored aims of the Department/Center.
 - When less than 60% of the budgeted direct costs have been properly charged to the project, the direct cost balance in excess of the 40% residual will be transferred with 50% going to the Department/Center and 50% to the VP of Research, to be used for the support of research or outreach programs. The remaining 40% will be transferred to the applicable Department/Center as above.
- Residual funds that do not have to be returned to the sponsor will not be transferred to the Principal Investigator and may not be transferred to another institution should the Principal Investigator leave the University.

Grants and Contracts Accounting's staff will transfer residual funds to the designated department NONSP fund upon project closing. Further allocation or tracking of these funds is at the discretion of the department head although residual funds should be used to further the public service or research aims of the grant funding.

Accounts for all residual funds should be established for each academic department/Center as needed. If a department has an existing NONSP fund which was established for other income, the purpose of the existing NONSP fund can be expanded to incorporate the additional funds. When funds from the NONSP are expended for research purposes they should be coded 00311 for internal research.

Example Return Calculations:

Example I					
Awarded Direct Costs	Awarded F&A	Total Awarded \$	Actual Direct Expenditures	Actual F&A	Remaining Direct Funds
100,000	20,000	120,000	60,000	12,000	40,000
Remaining F&A to F&A Pool:		8,000			
Residual Fund to Dept/Ctr:		40,000			
Example II					
Awarded Direct Costs	Awarded F&A	Total Awarded \$	Actual Direct Expenditures	Actual F&A	Remaining Direct Funds
100,000	20,000	120,000	50,000	10,000	50,000
Remaining F&A to F&A Pool:		10,000			
Residual Fund to Dept/Ctr:		45,000			
Residual to VPR/VP Outreach		5,000			