



POLICY STATEMENT

This policy is established to describe the treatment of residual funds pertaining to externally funded sponsored programs at the University of Notre Dame to ensure they are expended to advance the research mission of the University. Sponsor contract terms and conditions address how residual funds are handled.

There are two types of contracts: (1) Cost Reimbursement and (2) Fixed Price.

1. **Cost Reimbursement:** The University recovers expenditures as expended, in advance or based on a payment schedule. If payment is received in the latter two instances, excess funds may exist at the end of the award. When all expenditures and commitments have been recorded, the unused cash portion must be returned to the external sponsor. No provision is made for any portion to be retained by the University.
2. **Fixed Price:** Unexpended funds, at the completion of the project, are retained by the University. These funds are known as *residual funds*. Costs incurred in excess of the sponsor budget must be funded by the University (see “Deficits” policy).

Research and Sponsored Programs Accounting (“RSPA”) and ND Research will follow a prescribed protocol when all fixed price contracts have been completed and residual funds exist:

1. ND Research will confirm with the PI and sponsor that the project has been completed according to the award’s terms and conditions and will alert RSPA when the sponsor confirms satisfactory completion of all deliverables.
2. An [Unexpended Funds Residual Transfer Request](#) must be completed and approved by all parties in order to transfer a residual balance to another fund.
3. Full Facilities & Administrative costs will be applied to the award prior to transferring residual funds in order to ensure all indirect costs associated with the award are fully funded.
4. Any residual balance may be transferred to another fund within these guidelines:
 - a. Balances greater than \$10,000
 - i. Must be transferred to a restricted fund with a research program code of 10001.
 - ii. Must be budgeted to disclose how the funds will be used. The PI will work with his or her RSPA accountant to create a budget for the

residual funds. The RSPA accountant will notify the department of the budget for the residual amount.

- b. Balances less than \$10,000 can be transferred to a discretionary or other non-grant fund.
 - c. Transfers **may not** be made to any grant funds.
5. Multiple sponsored awards may be closed to a single residual restricted fund or to separate funds at the discretion of the PI.
 6. Each residual restricted fund will be established for a pre-defined period. Funds remaining at the end of this period will revert to the appropriate Dean or Vice President unless an extension of the time period is granted.