POLICY AND PROCEDURE

PURPOSE:
The purpose of this policy is to ensure compliance with the standards set forth in the Federal Office of Management and Budget 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200), Federal and State regulations, and sponsor-specific requirements. This policy provides guidance, which will assist University of Georgia (UGA) personnel proposing, performing and managing sponsored activities. Fixed Amount Awards/Contracts provide a specific level of support without regard to actual costs incurred. This type of award/contract reduces some of the administrative burden and record-keeping requirements. Accountability is based primarily on performance and results.

Failure to comply with UGA policies and procedures may result in audit findings, suspension of sponsored activities, closer monitoring by the sponsor, delays in final payments, and/or other enforcement actions imposed by the sponsor. This policy applies to all Federal and non-Federal sponsored activities, including all externally funded activities (i.e., research, public service and outreach, instruction and cooperative extension).

SCOPE:
All UGA personnel must be aware of the complex and detailed rules provided under Federal, State regulations, as well as terms and conditions of individual sponsored activities.

POLICY:
Sponsored projects will comply with all applicable Federal, State and/or sponsor-specific cost share and costing policies. This is applicable to building proposal budgets, negotiating sponsored projects, setting up sponsored projects, as well as initiating, approving, invoicing and reporting costs.

The University of Georgia encourages and supports the efforts of faculty to obtain external funding. Principal Investigators (PI’s) are strongly encouraged to request the total anticipated costs of a project within their proposal budgets. Direct costs on sponsored projects must conform to UGA Direct Cost Policy. Residual funds may be accessible on fixed amount awards/contracts. Expenditure of residual funds are not restricted by the former sponsor's requirements but continue to follow University and State purchasing guidelines. Fixed amount awards/contracts reduce some burden placed on the institution's financial operations regarding oversight of these projects.
DEFINITIONS:
Award is used generally and applies to grants, awards, subawards, contracts, subcontracts, agreements, etc. In this context, an award binds the institution to perform scope, provide a deliverable or provide a service and the award is governed by the terms and conditions contained within.

Fixed Amount Awards are a type of grant agreement under which the sponsor or pass-through entity provides a specific level of support without regard to actual costs incurred. This type of award reduces some of the administrative burden and record-keeping requirements for both the institution and the sponsor. Accountability is based primarily on performance and results. Fixed amount awards are appropriate when the work that is to be performed can be priced with a reasonable degree of certainty.

PROCEDURE:
When a sponsor agrees to pay an agreed upon price for a product or deliverable, the sponsored agreement is established as a fixed amount award/contract. When the sponsored project is a fixed amount award/contract or a fee-for-service project, PI/unit must ensure the following occurs after the project end date:

- Statement of work has been completed;
- All project costs have been incurred and charged to the sponsored project. No project costs were charged to a separate UGA project or chartstring of a UGA affiliate (UGA Foundation, UGARF, etc.), or third party funding source. If project costs were charged to a separate project or chartstring, provide an accounting of those costs and justification for charging to a separate funding source to the Sponsored Projects Administration Invoicing Representation during preparation of the internal final financial report;
- All interim and final technical reports have been submitted to the sponsor and copies sent to Sponsored Projects Administration Pre Award via the Grants Portal; and
- Sponsored Projects Administration has received all payments.
- Sponsored Projects Administration has completed an internal final financial report. Internal final financial report will be completed by SPA within 90 days after the project end date and can be accessed in Content 7.

Projects with balances of less than $100.00 will automatically be transferred to the Department's residual balance chartstring and no RBP form is necessary.

Projects with balances greater than $100 and less than 10% of the total award amount will automatically be extended for two years and all budgetary account codes will be opened without the need for a Request for Access to Residual Balance Policy (RBP) request form.

In order to extend a sponsored project residual balance greater than 10% of the total awarded amount, a RBP form must be submitted to Sponsored Projects Administration as a modification through the Grants Portal. After SPA’s approval, the project end date will
be extended for two years and all budgetary account codes will be opened.

For residual balances in excess of 25% of the total award amount, the PI must also provide an explanation as to how excessive funds remain while still achieving the statement of work.

Balances of 50% or greater of the total award amount, will also require review by the Sponsored Projects Administration Post Award Director. SPA Director will assess the request in the Grants Portal, sign and upload approval into the Portal after PI/unit submission. PI/unit do not need to obtain SPA Director approval directly.

After the two-year extension period has expired, the remaining funds will then be transferred into the project department’s residual balance chartstring for departmental use, as described in Chartstring Guidance section below. Prior to the transfer of the residual balance, any remaining Indirect Costs will be deducted from the project's residual balance in one lump sum - at the Indirect Rate assessed at the time of award.

CHARTSTRING GUIDANCE

Departments, Centers, or Units are permitted to establish residual balance chartstrings in fund 20400 with class code 64RBP for the purpose of transferring residual balances. The purpose of this chartstring is solely for receipt of residual balances of multiple fixed amount/fee-for-service sponsored projects, which remain after their specified time limit. The Department, Center, or Unit is responsible for maintaining the residual balance chartstring records including principal investigator balances. No other funds or income may be deposited into this chartstring.

The Matrix below is provided to demonstrate various scenarios and the associated requirements:

<table>
<thead>
<tr>
<th>Residual Balance Policy Closeout Matrix</th>
<th>Financial Report Completion Required by SPA</th>
<th>Moved to Departmental Residual Balance Chartstring</th>
<th>Extend End Date for 2 Years</th>
<th>Residual Balance Request Form Required</th>
<th>Explanation From PI Required</th>
<th>Review of SPA Director Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $100.00</td>
<td>YES</td>
<td>YES</td>
<td>NO</td>
<td>NO</td>
<td>NO</td>
<td>NO</td>
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<tr>
<td>Between $100.00 and 10% of total award</td>
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<td>NO</td>
<td>YES</td>
<td>NO</td>
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<td>NO</td>
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<tr>
<td>Greater than 10% of total award</td>
<td>YES</td>
<td>NO</td>
<td>YES</td>
<td>YES</td>
<td>NO</td>
<td>NO</td>
</tr>
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<tr>
<td>Greater than 25% of total award</td>
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<td>NO</td>
<td>YES</td>
<td>YES</td>
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<td>YES</td>
</tr>
</tbody>
</table>

**RESOURCES:**
2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

Sponsored Projects Administration
UNIVERSITY OF GEORGIA

Sponsored Projects Administration | 706-542-5939 | [http://spa.uga.edu](http://spa.uga.edu)