



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. The overriding purpose is to ensure that residual funds are used to advance the mission of the University and to avoid possible conflicts of interest for Principal Investigators (“PI”).

Contracts terms and conditions address how residual funds are handled. Except in the case of a Cost Reimbursement payment method, whereby the University only recovers expenditures as incurred, residual funds may exist at the end of the award. In this case the award terms and conditions will include one of two options: (1) Fixed Price Contract or (2) Refund of unused funds.

1. Fixed Price Contract – Under a fixed priced contract, costs incurred in excess of the budget become an institutional expense to Notre Dame. Any remaining funds at the completion of the project are retained by the University. These funds are known as *residual funds*.
2. Refund of Unused Funds-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 remain within the University

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

1. OR will confirm with the sponsor that the project has been completed according to the contract and will alert RSPA when the sponsor has released the residual balance.
2. 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.
3. Any residual balance may be transferred to another fund within these guidelines:
 - a. Balances greater than \$10,000
 - i. Must be transferred to another restricted research fund with a Research program code of 20.
 - 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

- i. Can be transferred to a discretionary or other non-grant fund without budgeting.
 - c. Transfers **may not** be made to any grant funds.
- 4. Multiple sponsored awards may be closed to a single residual restricted fund or to separate funds at the discretion of the PI.
- 5. Each residual restricted fund will be established for a period not to exceed 24 months. Funds remaining at the end of the 24 month period will revert to the appropriate Dean or Vice President unless an extension of the time period is granted.