

Arkansas State University
Sponsored Programs Accounting
Residual Balance Procedure

Purpose

The purpose of the procedure is to establish the proper disposition of residual funds at the end of a fixed fee or service rate agreement.

Definitions

Fixed Fee Agreement – An agreement for a set amount regardless of costs incurred on the project.

Service Rate Agreement – An agreement for a set amount per unit of service, such as per person served or per item provided, regardless of the actual costs incurred on the project.

Residual Balance – The funds remaining at the end of a project after all contractual obligations and activities have been fulfilled and appropriate charges paid in full.

Procedure

Once a university fixed fee or service rate agreement ends there may be an amount of residual funds remaining in the restricted fund. At this time the principal investigator (PI) will have the remainder of the current fiscal year to utilize these funds. If the project ends during the month of June, the fund will remain open until the end of the following fiscal year. At the end of the fiscal year all facilities and administrative fees (indirect costs) will be charged to the fund, with any remaining balance transferred into the carry-forward fund of the college in which the primary PI resides. Thereafter, these balances will be considered unrestricted and will be available for use at the discretion of the college Dean. The Director of Sponsored Programs Accounting can choose to transfer the remaining balance to the department before the end of the year if the grant is complete and the early transfer is acceptable to the PI and the Dean of the PI's College.

In rare instances the Dean may wish for the funds to remain in the restricted fund for the furtherance of the original project. In these situations, the Dean will need to send this request, along with supporting justification and requested time frame, to the Director of Sponsored Programs Accounting for consideration. Once approved by the Director of Sponsored Programs Accounting, the fund will remain active until such time as no funds remain or until the requested end date, whichever comes first.