



7.1.9 Residual Funds on Fixed Fee Contracts/Agreements

Chapter 7 - Research and Sponsored Programs	Original Effective Date: April 2012
Section: 7.1 Office of Sponsored Programs	Date Last Reviewed: September 2022
Responsible Entity: Vice President and Chief Financial Officer	Date Last Revised: September 2022

I. Purpose

To provide guidelines for the disposition of residual balances on Sponsored Programs Fixed-Fee Contracts/Agreements awarded to UT Health San Antonio.

II. Scope

This policy applies to all individuals involved in sponsored program activities, particularly principal investigators, and project directors.

III. Policy

A. Background

1. Fixed-Fee Service Contract/Agreements generally do not carry budget categorical restrictions. Typically, the sponsor's only involvement after the agreement is executed is the receipt of the deliverables or services and providing payments.
2. Payments are made to UT Health San Antonio either at scheduled intervals (e.g., monthly, quarterly, etc.) or are based on a specific deliverable or event schedule. All or part of the final payment may be withheld until all deliverables or services have been approved by the sponsor.
3. On fixed-fee agreements and unless otherwise specified in the funding agreement, unspent (residual) funds are not returned to the sponsor but may be retained by UT Health San Antonio.

B. Policy

The following applies to expenditures made on Fixed-Fee Service Contracts/Agreements housed in Fund Groups 41xxx - 48xxx and provides for the disposition of residual balances from those agreements:

1. Applicable expenditures for the services rendered must be placed on the project ID that the Office of Sponsored Programs (OSP) establishes for the individual

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contract agreement. This helps to ensure that funds from other sources are not subsidizing expenditures made in the performance of Fixed-Fee Service Contract/Agreements and that any applicable auditing requirements are satisfied. Expenditures made in furtherance of the objectives of the Fixed-Fee Service Contract/Agreement cannot be posted to any project ID other than the one established for the specific project.

2. The department or administrative unit should regularly monitor the activity in the individual contract or agreement project ID for appropriate expenses and to ascertain that the project ID holder is effectively managing the sponsored funding.
3. If any unspent funds remain after the completion date of the agreement and/or after all deliverables have been made, these unspent funds (residual balance) may be transferred to a department/administrative unit project ID as follows:
 - a. the department chair/administrative unit head may request that the funds be transferred to the principal investigator or director of the project;
 - b. any request for residual funds transfer shall be made to OSP as outlined under Procedures below.;
 - c. transfer of any residual funds in excess of 25% of the amount received shall be requested through OSP as outlined under Procedures below and require the approval of the applicable dean or executive committee member;
 - d. any residual funds shall first be applied to any deficits that may exist in the name of the original project ID holder;
 - e. any residual funds shall be used to support the mission of UT Health San Antonio and expended pursuant to applicable policy;
 - f. the department/administrative unit will be responsible for paying, from departmental /administrative funds, any additional expenses related to a project that is closed (including, but not limited to, expenses related to an FDA audit or documentation storage fees); and
 - g. in the event a principal investigator or project director resigns from UT Health San Antonio, retires, dies, or is otherwise separated from UT Health San Antonio employment, any balances in the project ID housing residual funds will revert to the department/administrative unit to support its mission.

C. Procedures

The OSP has developed procedures and forms to ensure compliance with this Policy that can be accessed at: <http://research.uthscsa.edu/osp/residualfunds.shtml>.

IV. Definitions

When used in this document with initial capital letter(s), the following words have the meaning set forth below unless a different meaning is required by context.

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Fixed-Fee Contract/Agreement – an agreement/contract that requires UT Health San Antonio to perform work necessary to produce deliverables (e.g., services, per-patient, consulting, training, sample analysis) as specified in the contract document for a fixed dollar amount. Examples of these types of agreements include those for medical directorships, resident placement in health facilities, pre-clinical or other testing, clinical drug and device studies, evaluation, and the like.

Residual Balance – an unobligated, unspent balance remaining in a sponsored project after all work has been completed and all deliverables have been met.

V. Related References

For questions regarding this policy, contact the Office of Sponsored Programs (OSP) at grants@uthscsa.edu or 210-567-2340.

UT Health San Antonio, Office of Sponsored Programs
<http://research.uthscsa.edu/osp/index.shtml>

VI. Review and Approval History

- A. The approving authority of this policy is the University Executive Committee.
- B. The review frequency cycle is set for three years following the last review date, a time period that is not mandated by regulatory, accreditation, or other authority.

Effective Date	Action Taken	Approved By	Date Approved
04/2012	Policy Origination		
11/2016	Policy Revision		
09/2022	Policy Revision, discretionary edits	VP/CFO	08/04/22