

UAA Office of Sponsor Programs

Residual Funds Policy Statement

This policy is established to direct the treatment of residual funds pertaining to externally funded sponsored programs at the University of Alaska Anchorage 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, based on a payment schedule, or through invoicing. If payment is received in the former 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*.

The Office of Sponsored Programs (OSP) will follow a prescribed protocol when all fixed price contracts have been completed and residual funds exist:

1. OSP will confirm with the PI and sponsor that the project has been completed according to the award's terms and conditions and will prompt the PI to submit an Unexpended Funds Residual Transfer Request.
2. The Unexpended Funds Residual Transfer Request will be reviewed and approved by OSP and the Unit.
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 a non-restricted fund administered by the Unit. Guidelines for the use of the transferred funds will be determined by the Unit.