
UCLA Policy 913: Disposition of Unexpended Balances in Fixed Rate and Fixed Price Contracts and Nonrefundable Grants

Issuing Officer: Vice Chancellor for Research
Responsible Dept: Office of Extramural Fund Management
Effective Date: June 15, 2009
Supersedes: UCLA Policy 913, dated January 15, 2003

I. REFERENCES
II. PURPOSE
III. STATEMENT

I. REFERENCES

1. University Interdepartmental Letter to Accounting Officers from Corporate Accounting Director Alter, June 3, 1985;
2. Regental Approval, March 15, 1985, of Amendment to the June 19, 1964 Regents' Action on Disposition of Unexpended Balances of Lump Sum Contracts.

II. PURPOSE

This policy applies to the disposition of unexpended balances on fixed price and fixed rate contracts, and nonrefundable grants in which no designation was made by the sponsor as to the use of any unexpended balance.

III. STATEMENT

If there is an unexpended balance remaining after close-out of an expired fixed price or fixed rate contract or nonrefundable grant, upon the Principal Investigator's (PI) request, and with appropriate assurances and approvals as outlined in sections D. and E., below, applicable indirect costs will be applied to the unexpended balance and the remaining monies may be converted to unrestricted funds to be made available to the PI.

- A.** When fixed price contracts, fixed rate contracts, or nonrefundable grants are accepted, the Office of Contract and Grant Administration (OCGA), Office of Intellectual Property & Industry Sponsored Research (OIP-ISR), or the David Geffen School of Medicine at UCLA, Clinical Trials Contract Unit (DGSOM-CTCU), as appropriate, will indicate on the Award Synopsis that any unexpended balances remaining at the expiration of the award will be subject to this policy.
- B.** Once the account/fund has been reconciled, (usually within 90 days of expiration of the award) and an unexpended balance remains on fixed price and fixed rate contracts and nonrefundable grant awards, Extramural Fund Management (EFM) will confer with business staff administering the award in the PI's department or Organized Research Unit (ORU) to initiate the close-out process.
- C.** If an unexpended balance exists after review and close-out, the PI can request that these monies (less applicable indirect costs) be converted into unrestricted funds.

- D.** In cases where the remaining unexpended balance is 25% or less of the total amount received from the sponsor, the PI's request to transfer the balance to unrestricted funds must include the following: written assurance that all work under the award has been completed, all reports submitted to the sponsor, all costs of conducting the work appropriately charged to the fund established for the award, all invoices submitted and all anticipated payments received; and written endorsement of the Department Chair or ORU Director.
- E.** In cases where the unexpended balance is greater than 25% of the total amount received from the sponsor, the PI must also provide a written explanation of the variance in addition to the documentation required in section D., above.
- F.** When unexpended balances are determined to be eligible to be converted into unrestricted funds, and requests for transfer of those balances are complete, EFM will allocate the available balance to direct and indirect costs, based on the applicable indirect cost rate in effect for the award. The resulting indirect costs will be transferred to the campus indirect cost pool. The remaining available direct cost balance will be transferred to a central fund established for this purpose within each School/College for access by the PI. If there are concerns about a request for transfer, EFM staff shall confer with the appropriate campus officials about resolution.
- G.** All project accounts are subject to University audit. If in an audit it is found that project charges have been inappropriately recorded, corrections and adjustments will be made.

Issuing Officer

/s/ Roberto Peccei

Vice Chancellor for Research

**Questions concerning this policy or procedure should be referred to
the Responsible Department listed at the top of this document.**
