

Document Title: **Procedures governing the use of expired Externally Funded Programs**

Approval Date:

Reason for Policy: **To formalize the assignment and accountability of residual funds from Expired Awards**

Types of Awards: **Fixed Price Awards and Cost Reimbursement Awards**

#### **FIXED PRICE AWARDS:**

##### **Terms and conditions to use residual funds from expired Awards**

- a. The sponsor pays AUC a **fixed amount** in return for a **product, service, scope, deliverables, or milestones.**
- b. The amount due to AUC is proportionate to the work delivered to the sponsor. For example, if AUC provides 80% of the work to the sponsor, AUC earns 80% of the fixed amount initially contracted.
- c. All invoices related to the Award activity should be processed within the Award duration or a maximum of 90 days after the Award expiry.
- d. Technical and financial reports to be sent to the sponsor, as applicable.
- e. OSP will proceed with the Award closeout. OSP shall specify any refund amount due to the sponsor, as applicable.
- f. The PI should submit a spending plan to the Provost to acquire his/her approval for using the residual funds for research activities within the PI's field of study.
- g. The amount of residual funds shall exclude all indirect cost budget lines included in the financial report. If no indirect cost is budgeted, 25% of the total residual funds specified on the financial report shall be retained in lieu of indirect costs.
- h. The spending period of residual funds should not exceed the following fiscal year, as the funds will expire by the following fiscal year.
- i. After acquiring the necessary approvals, funds should be moved to the PI **Special WBS 05XXXXX** and shall be allocated to SAP G/L 6XXXXX which the Controller's Disbursements office will maintain.

#### **COST REIMBURSEMENT AWARDS:**

- a. The sponsor pays AUC for the **costs** to perform/deliver a **product, service, or scope, deliverables, and milestones.**
- b. Residual funds are determined based on the certified final financial reports issued by the Awards Accounting office.
- c. Technical and financial reports to be sent to the sponsor, as applicable.
- d. OSP will proceed with the Award closeout. OSP shall specify any refund amount due to the sponsor, as applicable.
- e. If the final financial report shows an unspent balance of payments received, OSP shall determine with the sponsor whether a refund is due.
- f. If no refund is required, the above same steps (steps f-i) for using the residual funds shall apply.