

Fixed Price Transfers

UM Policies

Accounting Policy Manual: [APM-60.20](#), Closing Sponsored Awards

Forms

None

Overview

Some agreements negotiated between the University and sponsoring agencies are established as “fixed price.” With these projects, a predetermined (fixed) amount of funds are provided by the sponsor for the successful completion of the stated deliverables. The Fixed Price Transfer process provides for distribution of unexpended funds once all deliverables are met. Facilities and administrative (F&A) cost recovery on the transfer represents the residual grant balance that will be recorded as F&A expense based on the University’s applicable rate.* If the project F&A rate is lower than the University’s applicable rate due to an approved F&A waiver (Request for University Contribution; RUC), the full rate will be recovered at the time of transfer, with any remaining grant funds transferred to a ChartField (MoCode) specified by the PI/Department. These funds are unrestricted and may be used at the PI/Department’s discretion.

Risk

If a fixed price project has a significant portion of the award unspent at the end of the period of performance, the Office of Sponsored Programs Administration (OSPA) will inquire with the PI/Department to ensure all deliverables have been met. If the scope of work was not accomplished or the project was otherwise not completed as planned, the University may be required to return funds to the sponsor.

It is also important to note that all allocable project costs should be applied to the appropriate sponsored project. While unexpended funds on fixed priced projects are transferable to the PI/Department as unrestricted funds, project expenses should not be left on a departmental or other account which would result in a positive balance on the fixed price project.

Procedure

OSPA Post-Award Team – The Post-Award Team is responsible for initiating the Fixed Price Transfer. At the end of a project’s period of performance, the Post-Award Team emails a cost certification to the PI in order to prepare the final financial report. If there are qualifying unexpended funds under the Fixed Price Transfer policy described above, the cost certification will include a breakdown of funds transferrable to the University’s F&A recovery pool and funds transferable to the departmental MoCode. OSPA will request from the PI/Department the appropriate MoCode to receive the transfer, as well as a justification in the event of a large unexpended balance. With the PI’s approval of the cost certification, the OSPA Post-Award Team enters the anticipated transfer amounts into an internal tracking log for review and approval by the OSPA Post-Award Compliance Team.

*Refer to the [Grant Fact Sheet](#), Facilities and Administration Rates section (p. 2), for current rates.

Principal Investigator (PI) – The PI approves final expenditures upon completion of a sponsored project, provides the appropriate departmental MoCode to receive the transfer, and, if requested, provides justification for a large unexpended balance.

OSPA Post-Award Compliance Team – The OSPA Post-Award Compliance Team reviews the Fixed Price Transfer internal tracking log. If the amount of unexpended funds is deemed reasonable compared to the project budget, the Post-Award Compliance Team prepares a journal entry to make the appropriate transfer(s). If the unexpended funds are a significant amount of the award, the transfer is subject to OSPA Management approval.

Responsibilities

Below is an outline of responsibilities as they relate to this process.

PI:

- Ensures that the scope of work is accomplished and that all funds are utilized as planned and correctly allocated to the project.
- Certifies expenditures upon request from OSPA to initiate the Fixed Price Transfer process.

OSPA:

- Calculates and transfers the appropriate amount of funds to the University's F&A recovery pool and to the departmental account.
- Works with the PI/Department to determine origins of large unexpended balances and guides appropriate actions to resolve any discrepancies.

Need Help?

If you have questions or comments on this procedure, contact OSPA at muresearchospa@missouri.edu or (573)-882-7560.

Related Topics

None

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