

## **Residual Balance Policy**

### **POLICY SUMMARY**

This policy provides guidelines for the management of balance accounts to ensure proper use and accounting for these balances.

### **POLICY**

#### **POLICY STATEMENT**

Residual Balances occur when a balance remains in a fixed price award after all obligations have been met, including submission and acceptance of all required reports, and payment in full has been received from the sponsor. The direct cost balance in accounts, which have been awarded on a “fixed price” basis, as well as accounts with small balances that are not required to be returned to the sponsor, are to be expended at the discretion of the campus president per Research Foundation and SUNY policy.

The President has delegated that authority to the Provost. Principal Investigators (PIs) who have a need for use of these balances to support their research and educational mission may submit a written request to the Provost for continued use of the funds. No request for continued use of balances greater than or equal to 25% of the total direct award amount will be considered without written justification by the PI as to how the work was completed without expending the funds. The associate vice president for Sponsored Program Operations (SPO) will review this justification and if appropriate, recommend approval to the Provost. If approved, direct cost balances would be transferred as follows and made available for a period not to exceed two-years in duration:

- Facility and Administrative (F&A) costs will be expended up to the approved budgeted amount.
- If the F&A budgeted amount is less than 15%, the difference between the approved rate and 15% will be assessed on the account prior to the direct cost balance being transferred.
- The expenditures must include full salary recovery for PI and all faculty for time spent working on the project.
- If approved, remaining direct cost balances will be transferred into a residual balance project/task in the PI's name.
- Those balances that do not meet the above criteria may be returned to the sponsor or turned over to the Provost to be used to promote research opportunities on the campus.

It is encouraged that residual balance funds be spent in a timely fashion and should not be used to fund re-occurring expenses. Expenditures may not exceed available funding, even if anticipated support is forthcoming.

When a PI leaves the institution, all funds remaining in the residual balance project/task will be returned to the provost's account.

## **APPLICABILITY**

This policy applies to all RF sponsored programs accounts that may become a Residual Balance Account.

## **DEFINITIONS**

**Direct Cost** – Costs that can be specifically identified with the project including salaries, wages and fringe benefits of the campus faculty and staff directly involved in working on the project, materials and supplies, purchased services, travel expenses, equipment rental and acquisitions.

**Facilities and Administrative Costs** - Also called F&A costs or indirect costs. The costs of administrative and support functions of the institution including general administration and general expense, operations and maintenance, building and equipment depreciation, library expenses and interest.

**Fixed Price Award** – An award requiring specific requirements or deliverables in exchange for a pre-negotiated dollar amount. The dollar amount is negotiated before the agreement is finalized and does not vary even if more or less costs are incurred.

**Residual Balance** – Balance remaining in a fixed price award after all obligations have been met, including submission and acceptance of all required reports, and payment in full has been received from the sponsor.

**Residual Balance Account** – An account established to hold the unobligated balance of funds remaining in a sponsored account at termination of the project and closeout of the account.

## **RESPONSIBILITY**

### **Principal Investigator**

- Monitor account activity to ensure charges are processed promptly.
- Upon closure of the award, review any remaining balance and determine if there is a continued need to access the funds. If so, submit a request to SPO.

### **Sponsored Programs Operations**

- At the time of account close-out, determine the appropriate course of action to take in regard to any balance of funding.
- Review justifications for balances greater than 25% and approve or deny moving the remainder of the account to a residual balance account.
- Fully expend all F&A dollars on fixed price awards or assess the 15% overhead rate.
- Transfer remaining direct cost balances appropriately.

## **RELATED LINKS**

[RFSUNY Fixed Price Balance Award Administration Policy](#)

**CONTACT INFORMATION**

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**Responsible Office:** Sponsored Programs Admin.

**Date Posted to Library:** TBD

Revision History:

September 2020 – The President delegated to the Provost the authority to approve no-cost extensions of awards for a period of two-years.