



UNIVERSITY OF MIAMI POLICY AND PROCEDURE MANUAL

TITLE:	Residuals Balance Policy	REFERENCE:	New
CATEGORY:	Office of Research Administration	PAGE:	1 of 2
		SUPERSEDES:	New
APPROVER:	Barbara A. Cole	VERSION:	New
	Associate Vice President	EFFECTIVE:	March 31, 2016
	Office of Research Administration		

PURPOSE:

The purpose of this policy is to establish guidelines on the disposition of residual funds from fixed-price/fixed-fee sponsored awards, including clinical trial agreements, when all contractual obligations have been satisfactorily completed and payments disbursed. These guidelines are designed to manage the sponsored awards in a manner consistent with requirements set forth in 2 CFR 200, Federal and State regulations, as well as agency specific guidelines.

Failure to comply with UM's policies and procedures may result in audit findings, suspension of sponsored activities, closer monitoring by the sponsor, delays in final payments, and/or other enforcement actions imposed by the sponsor. This policy applies to all Federal and non-Federal sponsored activities, including all externally funded clinical trials.

SCOPE:

All UM personnel must be aware of the complex and detailed rules provided under Federal and non-Federal regulations as well as the terms and conditions of the individual sponsored activity. While compliance with all applicable requirements is essential, it is equally important to maintain an open research environment that welcomes the participation of researchers from around the world as part of UM's mission. To maintain this balance, UM personnel must be familiar with this policy in addition to the Federal and non-Federal regulations on restricted sponsored activities.

This policy applies to all UM personnel, namely:

- Faculty, including voluntary faculty.
- Faculty emeriti engaged as active researchers on UM research activities.
- Researchers, including research staff, postdoctoral fellows, and research associates.
- Graduate students, undergraduate students, and interns involved in research programs.
- Staff in departments, centers, institutes, and administrative offices charged with responsibilities under this policy.
- Consultants, agents, and volunteers associated with research and scholarly activities, as well as in departments and offices charged with responsibilities under this policy.

POLICY:

It is the policy of the University of Miami to properly account for all project-related expenditures and to transfer residual balances resulting only after all costs on a fixed-price/fixed-fee contract

have been recognized. Residuals will be transferred to a designated account within the Principal Investigator's (PI) department.

In a fixed-price/fixed-fee contract the principal investigator agrees to perform the work regardless of the actual cost of conducting the project. If the cost of the project is underestimated, a negative balance will result. Conversely, if payments from the sponsor exceed actual costs, residual funds will remain after the project is completed.

All awards will be closed out in accordance with the Close-Out Policy. If the residual funds are greater than 20% of the total payments received, and all supported effort and expenditures are properly charged, the PI will prepare a written explanation attesting to the reason for the excess. Explanations shall be forwarded to ORA for review and approval.

The project will be closed out by first charging any remaining F&A (indirect) cost. If a reduced or waived F&A (indirect) rate was granted at the outset of the project, and there are funds remaining at the completion of the project, the difference between the reduced or waived F&A (indirect) costs versus the regular F&A cost will be recovered before the final residual balance is determined.

DEFINITIONS:

Please refer to UM's ORA website for a list of acronyms and terms commonly used in sponsored/ research administration grants, contracts, and cooperative agreements: <http://ora.miami.edu/assets/pdf/ora-policies/glossary.pdf>

PROCEDURE:

UM personnel are to use [UM's ORA website](#) for guidance on matters pertaining to sponsored activities.

UM personnel are to follow the Standard Operating Procedures (SOP) outlined, as well as utilize the various required forms and templates that have been implemented for the activities related to this policy.

UM personnel should contact the Pre or Post Award staff for consultation if additional information is needed. Contact information can be found on [UM's ORA Contacts Webpage](#).