
UCLA Policy 913:

Disposition of Unexpended Balances in Fixed Rate and Fixed Price Contracts and Nonrefundable Grants

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Policy Review

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

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.

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, the unexpended balance may be converted to unrestricted funds to be made available to the PI.

- Under Fixed Rate/ Price contracts, UCLA agrees to provide a service or deliver a product at a fixed payment amount regardless of our costs
- If there is an unexpended balance remaining after close-out, the PI can request (with appropriate documents and endorsements) that the balance be converted to unrestricted funds
- If project costs exceed the payments received from the sponsor, UCLA department will absorb the additional costs (cost overrun)

Identifying a P913 Award

When fixed price contracts, fixed rate contracts, or nonrefundable grants are accepted, Award Snapshot will indicate if any unexpended balances remaining at the expiration of the award will be subject to this policy.

Section II: Special Attention Needed

1. This award is subject to [UCLA Policy 913](#). An earned, unexpended balance remaining 90 days after the expiration of the award may be transferred to a central fund for use by the Principal Investigator through his or her school.
2. Review the Award Snapshot Attachment and the Award document for additional terms and conditions.

Payment Basis & Award Type

Section III: Award Demographics

Sponsor Award Number:	<input type="text"/>	UCLA PATS Number:	<input type="text"/>
Proposal Type:	New	Award Type:	Contract
Program Type:	Other Service	Special Program Type:	Not applicable
Award Status:	Awarded/Fully Executed	Location:	On Site
Payment Basis:	Firm Fixed Price	Special Payment Type:	None

Assurances

If there is a balance, an endorsement from the Department Chair or ORU Director is required per Policy 913.

1. All work under the award has been completed
2. All reports have been submitted to sponsor
3. All costs of conducting the work have been appropriately charged to the fund established for the award
4. All invoices have been submitted, all anticipated payments have been received

Assurances

<i>Provide the 4 justifications as necessary.</i>	
Policy 913 Assurance:	Department Response:
1) Has all work under the award been completed?	1)
2) Have all reports been submitted to the sponsor?	2)
3) Have all costs of conducting the work been appropriately charged to the fund established for the award?	3)
4) Have all invoices been submitted and all payments received?	4)
<i>If the remaining unexpended balance is 25% or less of the total amount received from the sponsor please include a written endorsement of the Department Chair or ORU Director.</i>	
<i>If the remaining unexpended balance is greater than 25% of the total amount received from the sponsor please include a written explanation of the variance by the PI in addition to the documentation required above</i>	

- A separate letter for assurances will not be required if included in the RAPID closeout packet.
 - Placing a signature on the certification implies that the PI has reviewed all information contained in the closeout packet (COP) including P913 assurance.
 - It is an option (not requirement) for department to add signature line on the PI certification page for Department Chair or Organized Research Unit (ORU) Director
- PI’s certification and endorsement from Department Chair or ORU Director can be obtained via email as long as assurance and justification were included in the email to be transparent what they are certifying.

Assurances

- If the project costs more than what was proposed and agreed to, UCLA department will have to absorb the additional costs (overdrafts)
- If the fund is fully spent, policy 913 is not applicable. Policy 913 describes how to dispose an unexpended balance on a firm fixed or price contract or non-refundable grant
 - Written assurances from PI do not need to be provided to EFM to close out the fund.

Closeout: Balance < 25%

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:

- A Complete Closeout Packet
- Complete Policy 913 Written Assurance from PI
- Endorsement of the Department Chair or ORU Director

Closeout: Balance > 25%

In cases where the remaining unexpended balance is greater than 25% the total amount received from the sponsor, the PI's request to transfer the balance to unrestricted funds must include the following:

- A complete closeout packet
- Complete Policy 913 written assurance from PI
- Endorsement of the Department Chair or ORU Director
- PI must provide a written explanation of the variance
 - The explanation can be incorporated into the PI's request letter. If a separate document is provided, it must also be endorsed by the PI and Department Chair or ORU Director.

Allocating Balance

- 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 (Chancellor's fund 69950)
- 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. (Department's designated account/cost center and fund 69970)

Resources

- **Policy 913:** <http://www.adminpolicies.ucla.edu/pdf/913.pdf>
- **EFM Website:** <https://efm.research.ucla.edu/faq/>
- **2019-20 Department Chair:** <https://www.apo.ucla.edu/academic-listings/2019-20-department-chairs>
- **ORU's and Directors:** <https://www.icca.ucla.edu/oru-database>

Any Questions?

Please reach out to your EFM Contact
[EFM Team Assignments](#)