

STEPHEN F. AUSTIN
STATE UNIVERSITY

Office of the General Counsel

POLICY SUMMARY FORM

Policy Name: Fixed Amount Awards

Policy Number: 8.12

Is this policy new, being reviewed/revised, or deleted? Review/Revise

Date of last revision, if applicable: 1/29/2019

Unit(s) Responsible for Policy Implementation: Provost and Executive Vice President for Academic Affairs

Purpose of Policy (what does it do): Grants related policy in regards to pricing that is agreed to in advance rather than actual costs incurred while conducting the work.

Reason for the addition, revision, or deletion (check all that apply):

- Scheduled Review Change in law Response to audit finding
 Internal Review Other, please explain:

Please complete the appropriate section:

Specific rationale for new policy:

Specific rationale for each substantive revision: Minor changes.

Specific rationale for deletion of policy:

Additional Comments:

Reviewers:

Academic Affairs Policy Committee
Lorenzo Smith, Provost and Executive Vice President for Academic Affairs
Damon Derrick, General Counsel

Fixed Amount Awards

Original Implementation: July 28, 2015

Last Revision: ~~January 29, 2019~~ April 12, 2022

Fixed amount awards, also known as fixed-price agreements, are awards in which a price is agreed to in advance for a specific scope of work that is payable based on performance and deliverables rather than the actual costs incurred during the conduct of the work.

Fixed amount awards may include grants, cooperative agreements, contracts, research agreements, and subawards (grants) from federal and non-federal sources to the university, as well as fixed amount subawards from the university to a subrecipient.

Fixed Amount Awards to the University

A fixed amount award to the university should reflect an accurate estimate of anticipated direct costs for the efficient and effective conduct of the project plus the university's full federally negotiated facilities and administrative (F&A, indirect) cost rate. The Principal Investigator/Project Director (PI/PD) is responsible for ensuring that a fixed amount award is accurately estimated.

The Office of Research and Graduate Studies (ORGS) requires an internal operating budget for fixed amount awards and awarded funds must be used during the term of the agreement in support of the specific statement of work. The PI/PD is responsible for charging all appropriate operating expenses to the award, including salary and associated benefits at a level commensurate with the effort committed to the project.

In the event ~~that~~ there is a negative balance at the conclusion of a fixed amount award project, the managing administrative unit is responsible for covering the shortage from an appropriate source of funds.

In the event a residual balance remains after all allocable expenses have been recorded to the project fund, the following processes apply:

Non-Federal Awards

1. The PI/PD will certify that the sponsor has accepted all required deliverables, the ~~controller's office~~ *Office of Financial Reporting* will confirm that the sponsor has made final payment. If the remaining balance exceeds \$500, the full federally-negotiated F&A rate will be charged against the award. Any residual balance should be no more than 20% of the original award.
2. If the residual balance is less than 20% of the original award (up to \$10,000 or 25% of the residual balance, whichever is less) then the amount is transferred to a fixed-price residual

(FPR) fund for the PI/PD, or into an FPR fund established for a university-recognized center. The remaining balance, in excess of 25% or \$10,000, is transferred to a designated fund pool to be used in support of research and development.

If the residual balance exceeds 20% of the original award, the sponsor is contacted to determine the disposition of the balance. If the sponsor allows residual amounts to be retained by the university, the amounts are distributed as described above.

If the residual balance is \$500 or less, the entire amount may be transferred to the individual PI/PD ~~Fixed-Price Residual~~ FPR Fund.

3. Fixed-price residual funds must be used for on-going research activities or to support the goals and objectives of the PI, PD, or center, in accordance with state and university regulations, policies, and procedures.

Federal Awards

1. For fixed amount awards originating from federal sources, there should be “no increment above actual cost” [2 C.F.R. § 200.201(b)(1)].
2. The university must certify in writing to the federal agency or pass-through entity that the project was completed or the level of effort expended.
3. If ~~both of the above~~ requirement #2s cannot be met, the amount of the award must be adjusted [2 C.F.R. § 200.201(b)(3)].

Fixed Amount Awards from the University

The amount of a fixed amount award to a subrecipient from the university should reflect an accurate estimate of anticipated costs for the efficient and effective conduct of the project. ORGS may require a budget detail and justification from a potential subrecipient.

Fixed amount subawards from federal sources are allowable with prior written approval from the federal awarding agency in an amount up to \$150,000 [2 C.F.R. § 200.88, .332]. Such awards are subject to the terms and conditions detailed in 2 C.F.R. § 200.201(b).

Cross Reference: 2 C.F.R. §§ 200.45, .88, .201, .332; Grants and Contracts Procedures Manual

Responsible for Implementation: Provost and Executive Vice President for Academic Affairs

Contact for Revision: Dean of Research and Graduate Studies

Forms: Fixed Amount Award Close-out Certification Form; Fixed Amount Award Close-out Form

Board Committee Assignment: Finance and Audit