



## Ohio Administrative Code Rule 3349-20-10 Residual funds policy.

Effective: June 11, 2017

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### (A) Purpose

This rule establishes the university's process for identifying unrestricted residual funds from sponsored programs and outlines the process for moving them out of their original restricted index. This rule is designed to assure that unrestricted residual funds from sponsored programs are used to advance the university's mission and is intended to help principal investigators avoid conflicts of interest.

### (B) Scope

This rule applies to all sponsored programs proposed on or after July 1, 2011.

### (C) Definitions

Consult rule 3349-7-01 of the Administrative Code.

(1) "Designated Residual Funds Index" refers to an index that is set up when there are residual funds related to a sponsored program. The fund manager of the index will be the principal investigator. The availability of these funds will not expire during the principal investigator's employment at university. This index will be subject to all university guidelines, policies and procedures.

(2) "Fixed Price Agreement" refers to an agreement in which the sponsor states that a set dollar amount will be given in exchange for a specific deliverable(s).

(3) "Principal Investigator" refers to the faculty or staff member designated by the sponsor to have the appropriate level of authority and responsibility to direct the project or program supported by the grant.



(4) "Restricted Index" an index set up to track revenue and expenses for a specific project or purpose that is funded by an external entity (sponsor) and is subject to terms and conditions set by said entity.

(5) "Sponsor" for the purposes of this rule, refers to an entity that awards funding for a specific purpose.

(6) "Sponsored Program" refers to an award funded via a grant, contract, cooperative agreement or subcontract from a federal, state or local government entity, the private sector, or an institution of higher education, whereby the university agrees to perform a certain scope of work, in accordance with terms and conditions set by the sponsor, for specific, budgeted monetary compensation.

(7) "Unrestricted Residual Funds" refers to an unobligated balance in a sponsored program award at the time of closeout that is not required to be returned to the sponsor. These funds are no longer considered funds of the sponsored program and as such will not follow sponsored program policies, but will still need to be spent in accordance with all applicable university policies and procedures.

(D) Body of the rule

Unrestricted residual funds resulting from a sponsored program award will be made available to the award's principal investigator by transferring the funds to a designated residual funds index when all of the following criteria are met:

(1) All terms and conditions of the award (including all deliverables) have been fulfilled;

(2) All expenses related to the project (except approved cost share) have been charged to the sponsored program;

(3) The sponsor has paid the university in full;

(4) The university has been reimbursed for the total maximum facilities and administrative ("F&A") (indirect) costs related to the project;

(5) Awards with unrestricted residual funds in excess of twenty per cent of the total amount awarded



must be approved by the office of research and sponsored programs.

(E) Responsibilities

(1) Principal investigator ensures that all terms and conditions are met, all deliverables are provided and that all appropriate expenses are charged to the sponsored program index and that any funds transferred into a designated residual funds index will be spent to support the principal investigator's research or scholarly activities, teaching, or service as applicable.

(2) Grants accounting ensures that the sponsor has paid the university in full and that the university has recovered its maximum indirect costs. "F&A" (indirect) costs will be calculated based off of the total award budget at the residual funds rate determined by the office of research and sponsored programs when the fixed price of agreement was executed. Grants accounting will send a request of review to the office of research and sponsored programs when unrestricted residual funds are in excess of twenty per cent of the total amount awarded. If approved, grants accounting will initiate all necessary transfers. If not approved, grants accounting will return the remaining funds to the sponsor.

(3) Office of research and sponsored programs establishes the "F&A" rate at which indirect costs will be charged if there are unrestricted residual funds remaining at the end of the fixed price award. Reviews restricted indexes where unrestricted residual funds are in excess of twenty per cent of the total amount awarded to ensure that the university is complying with applicable regulations and internal procedures, which include consistency in budgeting costs, cost shared expenses, and possible changes in scope.