



MEMORANDUM

TO: FSU Faculty with Fixed Price Contracts

FROM: Gary K. Ostrander, Vice President for Research

*GKO*

DATE: August 1, 2018

RE: Revised Fixed Price Residual Policy

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Per standard operating procedures, institutional policies are reviewed periodically to ensure they are in compliance with current law, regulations, and the administrative needs of the University. As part of this process, the policy on fixed price residuals was recently reviewed and revised. The Office of Research met with the CRC Executive Committee, the Associate Deans of Research, and the Research Administration Panel to discuss the revised policy and gather their feedback. The guiding principle in establishing the revised policy was to ensure that fixed price contracts, which are frequently awarded at less than the federally negotiated F&A rate, were contributing their respective share to the SRAD distribution pool. Subsequently, once these real costs were recovered, the majority of any remaining funds should go to the PI who was responsible for securing the fixed price contract. The revised policy is attached.

This policy applies to all fixed price awards received by FSU (and administered through SRA or the Research Foundation). These agreements provide FSU with a predetermined amount of funds in exchange for meeting the terms of the agreement. Any funds that remain unexpended at the conclusion of the project are referred to as fixed price residuals.

Effective August 1, 2018 all residuals on fixed price awards that have an end date on or after January 1, 2019 will be subject to the attached policy. Also enclosed is a list of FAQs to assist in further clarifying the policy.

If you have any questions, please contact Kerry Peluso at (850) 644-8664 or [kpeluso@fsu.edu](mailto:kpeluso@fsu.edu).