Purpose
To outline the administrative requirements for formulating, monitoring, and closing out fixed-price sponsored research agreements

Definitions
The most common form of fixed price agreement supporting University research is the fixed price contract in which defined deliverables (usually reports) are produced by the University and the sponsor pays a pre-set amount for each deliverable. Clinical trials are another common type of fixed price agreement. The financial terms of fixed price agreements should establish a payment schedule which provides reasonable advance payments so that the University is not inappropriately financing the research.

Fixed price agreements should only be entered into when the University is reasonably certain that the total cost (including direct and indirect costs) to produce all deliverables will not exceed the total fixed price.

Formulating the Fixed-Price Agreement
The Principal Investigator should work with the Office of Contract and Grant Administration (OCGA) during the planning stages of contract development and negotiation to ensure the accuracy of the contract terms and conditions.

The following are vitally important in the formulation of the fixed price agreement and should be considered when preparing the fixed-price agreement:

- The cost structure and payment schedule
- The scope of work and schedule of deliverables/outcomes
- F&A costs consistent with the University’s rate policy on F&A cost

Monitoring the Fixed-Price Agreement
It is the responsibility of the Principal Investigator to properly monitor the timing of tasks, deliverables, and final reporting of results. Most fixed-price agreements include a clause or special terms section regarding the submission and/or acceptance of a final report or product. This is usually tied to the final payment. OPAFS is responsible for monitoring the billing and receipt of payment in accordance with the terms and conditions and will communicate with the department as needed to ensure applicability in billing if required.

If additional time is needed to complete the work, the Principal Investigator should work with OCGA to obtain a no cost time extension if required.

Closing Out the Fixed Price Agreement
To close out a fixed-price agreement, all project activity must be completed. This includes:

- OPAFS will verify that the receipt of full payment from the sponsor
- OCGA will verify with either Agency or PI for the completion of all deliverables required under the fixed-price agreement
- Departments will verify that there is no pending charges/lien on the fund and all indices are zeroed out.

Residual Balances
Under Business and Finance Bulletin A-47, residual balances on funds provided under fixed price agreements should be considered as "unrestricted University funds."
If there is a residual balance in the fixed-price account:

**The direct cost portion** of the balance will be transferred to an unrestricted fund, allocated by PI’s index; the fund’s sole purpose is to hold balances from fixed price sponsored projects. The use of funds is the discretion of the department consistent with departmental policy.

**The Indirect cost portion** of the balance will be transferred to an unrestricted University fund. This fund will be managed by the CFO’s office.

**Cost Overruns**

If there is a cost overrun in the fixed-price account the amount must be covered by the department and/or Principal Investigator in accordance with policy on any fund.

**Non-Receipt of Sponsor Funds**

If the sponsor does not pay in full, the department and/or Principal Investigator should work with OCGA to resolve unpaid amounts with the sponsoring agency.
FIXED PRICE FINANCIAL CLOSEOUT

Date of Request: _______________________ Fund Number: ___________ End Date ________

Sponsor: _____________________________ Original Award Amount: ________________

F&A Rate (indirect cost): _______________ Residual Balance*: ________________

Index for transfer of balance (If available/discretionary only) ____________________

Residual balances will be transferred to PI’s unrestricted fund. A notification will be sent to you with PI’s new fund/index (if there is no existing index available above)

*For Federal awards, Residual Balances in excess of 25% of total award amount, provide explanation as to how excessive funds remain while still achieving the statement of work.

I confirm the following:

☐ All work has been completed and all project costs have been incurred and charged to the fund.
☐ All required reports have been submitted to the sponsor.
☐ All pending charges, liens have been cleared and fund is ready to be closed.

Department’s MSO/DBO/AVC

Principal Investigator or Designee: Printed Name and Signature (original signature required)

For OPAFS Use Only

☐ All payments have been received
☐ Final Financial Report has been completed
☐ Final F&A has been booked

Comment(s): ___________________________________________________________________________________

OPAFS Accountant ___________________________ Date ____________
Purpose
To outline the administrative requirements for formulating, monitoring, and closing out lab service agreements

Definitions
The most common form of lab service agreement supporting University faculty is the lab service agreement in which defined deliverables are produced by the University and the sponsor pays a pre-set amount for each deliverable. Clinical trials are another common type of agreement. The financial terms of lab service agreements should establish a payment schedule which provides reasonable advance payments so that the University is not inappropriately financing the research.

Lab Service agreements should only be entered into when the University is reasonably certain that the total cost (including direct and indirect costs) to produce all deliverables will not exceed the total fixed price.

Formulating the Lab Service Agreement
The Principal Investigator should work with the Office of Contract and Grant Administration (OCGA) or VCHS Business Contracting Office during the planning stages of contract development and negotiation to ensure the accuracy of the contract terms and conditions.

The following are vitally important in the formulation of the lab service agreement and should be considered when preparing the agreement:

- The cost structure and payment schedule
- The scope of work and schedule of deliverables/outcomes
- F&A costs consistent with the University's rate policy on F&A cost

Monitoring the Lab Service Agreement
The allowability under the UG is no longer applicable for all expenditures incurred for Lab Service agreement whether they are federal or non-federal. The costs incurred are not subject to compliance with cost principles and post-award audit.

It is the responsibility of the Principal Investigator to properly monitor the timing of tasks, deliverables, and final reporting of results. Most Lab Service agreements include a clause or special terms section regarding the submission and/or acceptance of a final report or product. This is usually tied to the final payment. Department is responsible for monitoring the billing and receipt of payment in accordance with the terms and conditions and will communicate with the department as needed to ensure applicability in billing if required.

Closing Out the Fixed Price Agreement
To close out a Lab Service agreement, all project activity must be completed. This includes:

- Departments will verify that the receipt of full payment from the sponsor
- Departments will verify with either Agency or PI for the completion of all deliverables required under the Lab Service agreement
- Departments will verify that there is no pending charges/lien on the fund and all indices are zeroed out.

Residual Balances
Under Business and Finance Bulletin A-47, residual balances on funds provided under lab service agreements should be considered as "unrestricted University funds."

If there is a residual balance in the Lab Service account:

**The direct cost portion** of the balance will be transferred to an unrestricted fund, allocated by PI’s index; the fund’s sole purpose is to hold balances from fixed price sponsored projects. The use of funds is the discretion of the department consistent with departmental policy.

**Cost Overruns**
If there is a cost overrun in the Lab Service account the amount must be covered by the department and/or Principal Investigator in accordance with policy on any fund.

**Non-Receipt of Sponsor Funds**
If the sponsor does not pay in full, the department and/or Principal Investigator should work with Business Contracting or OCGA to resolve unpaid amounts with the sponsoring agency.
LAB SERVICE AGREEMENT CLOSEOUT

Date of Request: _______________________  Fund Number: ___________  End Date: ______

Sponsor: _____________________________  Award Amount: ____________

I confirm the following:

☐ All work has been completed
☐ All deliverables have been delivered as required to the Agency
☐ Fund is legally ended

Principal Investigator or Designee: Printed Name and Signature (original signature required)

____________________________________________________

Department Business Officer
Purpose
To outline the administrative requirements for formulating, monitoring, and closing out Clinical Trial agreements

Definitions
The most common form of Clinical Trial agreement supporting University faculty is the Clinical Trial agreement in which defined deliverables are produced by the University and the sponsor pays a pre-set amount for each deliverable. Lab Service Agreements are another common type of agreement. The financial terms of Clinical Trial agreements should establish a payment schedule which provides reasonable advance payments so that the University is not inappropriately financing the research.

Clinical Trial agreements should only be entered into when the University is reasonably certain that the total cost (including direct and indirect costs) to produce all deliverables will not exceed the total fixed price.

Formulating the Clinical Trial Agreement
The Principal Investigator should work with the Office of Clinical Trial Administration (OCTA) during the planning stages of contract development and negotiation to ensure the accuracy of the contract terms and conditions.

The following are vitally important in the formulation of the Clinical Trial agreement and should be considered when preparing the agreement:

- The cost structure and payment schedule
- The scope of work and schedule of deliverables/outcomes
- F&A costs consistent with the University's rate policy on F&A cost

Monitoring the Clinical Trial Agreement
The allowability under the UG is no longer applicable for all expenditures incurred for Clinical Trial agreement whether they are federal or non-federal. The costs incurred are not subject to compliance with cost principles and post-award audit.

It is the responsibility of the Principal Investigator to properly monitor the timing of tasks, deliverables, and final reporting of results. Most Clinical Trial agreements include a clause or special terms section regarding the submission and/or acceptance of a final report or product. This is usually tied to the final payment. Departments responsible for monitoring the billing and receipt of payment in accordance with the terms and conditions and will communicate with the department as needed to ensure applicability in billing if required.

Closing Out the Clinical Trial Agreement
To close out a Clinical Trial agreement, all project activity must be completed. This includes:

- Departments will verify that the receipt of full payment from the sponsor
- Departments will verify with either Agency or PI for the completion of all deliverables required under the Clinical Trial agreement
- Departments will verify that there is no pending charges/lien on the fund and all indices are zeroed out.

Residual Balances
Under Business and Finance Bulletin A-47, residual balances on funds provided under Clinical Trial agreements should be considered as "unrestricted University funds."
If there is a residual balance in the Clinical Trial account:

The direct cost portion of the balance will be transferred to an unrestricted fund, allocated by PI’s index; the fund’s sole purpose is to hold balances from clinical trial agreements. The use of funds is the discretion of the department consistent with departmental policy.

Cost Overruns
If there is a cost overrun in the Clinical Trial account the amount must be covered by the department and/or Principal Investigator in accordance with policy on any fund.

Non-Receipt of Sponsor Funds
If the sponsor does not pay in full, the department and/or Principal Investigator should work with Office of Clinical Trial Administration (OCTA) to resolve unpaid amounts with the sponsoring agency.
SPONSOR INITIATED CLINICAL TRIAL AGREEMENT FINANCIAL CLOSEOUT

Date of Request: _______________________ Fund Number: _________ End Date: _______

Sponsor: _____________________________ Original Award Amount: _____________

Fund Number: 60121B Residual Balance*: ____________________

Index for transfer of balance (If available/discretionary only) ____________________

Residual balances will be transferred to PI’s unrestricted fund. A notification will be sent to you with PI’s new fund/index (if there is no existing index available above)

*For Federal awards, Residual Balances in excess of 25% of total award amount, provide explanation as to how excessive funds remain while still achieving the statement of work.

I confirm the following:

☐ All work has been completed and all project costs have been incurred and charged to the fund.
☐ All required reports have been submitted to the sponsor.
☐ All pending charges, liens have been cleared and fund is ready to be closed.

Department’s MSO/DBO/AVC

Principal Investigator or Designee: Printed Name and Signature (original signature required)

For Controller’s Office Use Only

☐ All payments have been received
☐ Final Financial Report has been completed
☐ Final F&A has been booked

Comment(s): ____________________________________________________________

Controller Accountant ___________________________ Date ____________