



BOISE STATE UNIVERSITY

University Policy 6090

Disposition of Sponsored Project Surplus Funds, Deficit Balances, and Recovered Fees

Effective Date

March 1982

Last Revision Date

May 13, 2025

Responsible Party

Vice President, Research and Economic Development, (208) 426-5732

Scope and Audience

This policy governs the disposition of Surplus Funds, Deficit Balances, and Recovered Fees on Sponsored Projects.

Additional Authority

- Idaho State Board of Education Policy, Section III.J.3. (Grants and Contracts)
 - Policy 5030 (Office of Sponsored Programs)
 - Policy 6100 (Allocation and Distribution of Recovered Facilities and Administrative Costs)
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1. Policy Purpose

To establish a governance process to disposition Surplus Funds, Deficit Balances, and Recovered Fees on Sponsored Projects.

2. Policy Statement

This policy intends to clarify the appropriate course of action to disposition Surplus Funds, Deficit Balances, and Recovered Fees on Sponsored Projects.

3. Definitions

3.1 Cost-Reimbursement Sponsored Project

A Sponsored Project with an award ceiling that includes the university's direct costs, indirect costs (AKA Facilities and Administration or "F&A" costs), and a Fee if applicable. The Sponsor only pays the university's allowable, allocable, and reasonable costs actually incurred, plus a Fee if applicable, up to the award ceiling.

3.2 Deficit Balance

Excluding Fees, a negative Sponsored Project award balance (e.g., overspent budget or unrecovered funds, including bad debts such as unpaid invoices) related to a Sponsored Project award after: (i) all obligations (e.g., personnel, performance, contractual, financial) have been satisfied; (ii) all allowable, allocable, and reasonable expenditures have been charged to the Sponsored Project; and (iii) all recovered indirect costs have been allocated in accordance with Policy 6100, Allocation and Distribution of Recovered Facilities and Administrative Costs, including 100% of the estimated indirect costs in a Fixed-Price Sponsored Project's internal budget.

3.3 Fee

An amount paid to the university in excess of its proposed direct and indirect costs to perform a Sponsored Project. The most common type is a Fixed Fee and can be added to certain Cost-Reimbursement Sponsored Projects and Fixed-Price Sponsored Projects (e.g., certain Federal Acquisition Regulation (FAR) and industry Sponsored Projects).

3.4 Fixed Fee

A negotiated Fee that is fixed at the inception of the Sponsored Project and does not vary with the university's costs actually incurred but may be adjusted as a result of changes to a Sponsored Project's scope of work (e.g., expansions, contractions, increased/reduced risk).

3.5 Fixed-Price Sponsored Project

A Sponsored Project for a price that is not subject to any adjustment, up or down, on the basis of the university's costs incurred in performing the Sponsored Project. A Fixed-Price Sponsored Project budget includes the university's direct costs, indirect costs, and a Fee if applicable. Non-exhaustive examples of Fixed-Price Sponsored Projects include situations where the Sponsor will pay: 1.) a particular price for completing an entire Statement of Work ("SOW"); 2.) the sum of individually priced deliverables in a SOW that are completed; 3.) the sum of fully burdened fixed hourly rates (not based on the university's actual costs incurred) multiplied by the number of hours performed; and 4.) annual subscriptions paid for receiving services from the university (e.g., online first-year writing course suggestion).

3.6 Recovered Fee

The fee actually received by the university.

3.7 Sponsor

An external entity that provides funding for a Sponsored Project.

3.8 Sponsored Project

A grant, contract, cooperative agreement, sub-grant, subcontract, consortium agreement, purchase order, or memorandum of understanding that formalizes the transfer of money or property from a Sponsor in exchange for specified activities (e.g., research and development, instruction, public services.), and may require specific deliverables such as detailed financial and/or technical reporting by the recipient. Performance is usually to be accomplished within a specified time frame, with payment subject to revocation. It may include provisions related to intellectual property and publication rights.

3.9 Surplus Balance

Excluding Fees, funds actually received by the university from the Sponsor and remaining on a Sponsored Project budget after: 1.) all obligations (e.g., personnel, performance, contractual, and financial) have been satisfied; 2.) all allowable, allocable, and reasonable expenditures have been charged to the Sponsored Project; and 3.) all indirect costs have been allocated, including 100% of the estimated indirect costs in a Fixed-Price Sponsored Project's budget.

4. Disposition Procedures

4.1 Surplus Balance at Conclusion of Sponsored Project

If there is a Surplus Balance at the conclusion of the Sponsored Project, the Principal Investigator (PI) must provide the following certification (the “PI Certification”) to the Office of Sponsored Programs (OSP) at postaward@boisestate.edu:

“I certify that all work required by the Sponsored Project, including all technical reports and other deliverables, has been completed. Additionally, I certify to the best of my knowledge after conducting reasonable due diligence, that no outstanding matters remain open or in question with the Sponsor and that all allocable, allowable, and reasonable costs have been charged to the Sponsored Project.”

(a) Surplus Balance Is Less Than or Equal to 10% of the Sponsored Project’s Total Budget

If a Surplus Balance is less than or equal to ten percent (10%) of the total Sponsored Project budget (less any applicable Fee) and OSP has received the PI Certification, OSP will transfer the entire Surplus Balance to the surplus/deficit account on file for the Sponsored Project.

(b) Surplus Balance Is Greater than 10% of the Sponsored Project’s Total Budget

If a Surplus Balance is greater than ten percent (10%) of the total Sponsored Project budget (less any applicable Fee) and OSP has received the PI Certification, OSP will transfer the entire Surplus Balance in the following manner:

- Ten percent (10%) of the total Sponsored Project budget (less any applicable Fee) to the surplus/deficit account on file for the Sponsored Project; and
- The remainder of the total Sponsored Project budget (less any applicable Fee) in accordance with the recovered indirect cost allocation approach in Policy 6100, Allocation and Distribution of Recovered Facilities and Administrative Costs. The purpose of this secondary allocation is to encourage reasonable Sponsored Project budgeting and compliance with Policy 5090 (Sponsored Programs Costs Transfer), Policy 6380 (Proper Funds Management), and other applicable statutes and regulations.

4.2 Deficit Balance at Conclusion of Sponsored Project

If there is a Deficit Balance, OSP will coordinate with the applicable departmental administrator before charging the Deficit Balance to the surplus/deficit account on file for the Sponsored

Project. Generally, the entire Deficit Balance will be charged to the surplus/deficit account on file for the Sponsored Project.

4.3 Recovered Fee at Conclusion of Sponsored Project

OSP will allocate Recovered Fee in accordance with the recovered indirect cost allocation approach in Policy 6100 (Allocation and Distribution of Recovered Facilities and Administrative Costs).

5. Related Information

University Policy 5090 (Sponsored Programs Costs Transfer)

University Policy 6380 (Proper Funds Management)

Revision History

July 1995; October 2007; May 13, 2025