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## **FIXED PRICE AGREEMENTS**

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**Scope** All campuses served by Louisiana State University (LSU) Office of Accounting Services, except those campuses which have in place a written policy with regard to fixed price agreements.

**Effective** July 1, 2016. This FASOP supersedes and replaces all prior versions.

**Purpose** To set forth procedures for the disposition of unexpended balances in the accounts of expired fixed price agreements and to provide the Principal Investigator (PI) with maximum flexibility to use the remaining funds to support the original area of the award (e.g., research, instruction, public service), while establishing a liquidation schedule for these accounts.

### **Facilities and Administrative Costs**

Upon expiration the remaining funds budgeted for F&A costs shall be recovered by the University. After this is accomplished, remaining funds are available to be expended by the PI.

### **Minimum Balance**

Any grant that has an unexpended balance of less than \$100 will be closed 90 days after the expiration date with the balance being recognized as Facilities and Administrative (F&A) costs.

### **Grace Period**

The PI has a period of thirty-six months following the expiration date to use these funds, with the following exception: PIs at the School of Veterinary Medicine will have a period of six months following expiration date to use these funds.

### **Absent Principal Investigator**

For an expired fixed price agreement for which the PI is no longer affiliated with the University (or for which the PI is unavailable to monitor the agreement), the unit head will be responsible for the disbursement of any unobligated funds. The unit head is also responsible for notifying the Sponsored Program Accounting (SPA) division of Accounting Services of such a change in PI.

### **Reversion**

Funds remaining at the end of the grace period will revert to the Vice President of Research and Economic Development with the following exception: funds remaining in School of Veterinary Medicine projects will revert to the Dean of the School. These funds will be used as matching funds to sponsored agreements and to encourage research.