



FIXED PRICE CONTRACTS POLICY

The majority of external funding agreements received by CSUSM Corporation are cost-reimbursable. However, periodically a sponsor will agree to pay a set fee for completion of a contract scope of work or deliverables (fixed-price contracts).

POLICY:

I. Proposals and Budgets:

- a. The budget for fixed-price contracts should be developed using existing processes established by CSUSM Corporation and the CSUSM pre-award office.
- b. The budget and proposal must be approved using the Sponsored Projects Approval Form (SPAF), including all required signature approvals.
- c. In developing the budget for a fixed price contract, the PI should use reasonable estimates for the costs necessary to perform the contract services.
- d. The budget should include recovery of the full facilities and administrative costs (F&A) applicable to the type of award, based on CSUSM Corporation's federally negotiated F&A rates. Any requests for a waiver or reduction of the full rate must be approved in writing by the Dean of Research and the PI's Dean.

II. Administration

- a. Fixed price contracts will be administered through the CSUSM Corporation post-award office using the same processes as applied to cost-reimbursable grants and contracts.
- b. The contract will specify the payment details, either based upon a fixed payment or invoice schedule or upon completion of specific project tasks and/or deliverables.
- c. Budget categories established based on the submitted scope of work will not be restricted unless otherwise specified by the sponsor.
- d. The PI will notify CSUSM Corporation of the project's completion and that requirements for the contract have been met.

III. Remaining Funds

In the event that the PI was able to complete the contracted services for less than the agreed upon rate, the remaining balance may be requested to be transferred into a campus program account. The request will be reviewed and approved by the Director of Sponsored Projects, in consultation with the Dean of Research. The request should provide the following information:

- a. A detailed explanation of how the services were completed and why a surplus is remaining.
- b. A certification by the PI that all expenditures have been posted to the account.
- c. A certification that there are no costs that have been incurred by the university that have not been reimbursed by the account.

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- d. A certification by the PI that none of the work was completed on university time, and that no reimbursement is owed because the faculty or staff that were paid on the project performed the work but waived their salary compensation.

If a waiver was granted for an F&A rate less than the appropriate CSUSM Corporation federally- approved rate (either the off-campus rate or the on-campus rate), and a surplus balance exists at the end of the agreement, CSUSM Corporation will retroactively apply and collect F&A earned at the appropriate rate on direct expenditures prior to authorizing transfer of any surplus.

Once approvals have been received, the surplus will be transferred into either a new campus program fund or an existing campus program fund designated by the PI. These campus accounts currently charge an 8% fee on expenditures.