

Residual Income

(This information provided by University Business Services)

Residual income results when you have a positive cash balance in a Sponsored Programs fixed price contract or purchase order, after all costs have been accounted for.

Funds can be transferred to a “Residual Account” in University Business Services, those indexes are designated as 432xxx (*Unrestricted Gift-the Grant restrictions have been satisfied and the department is now free to spend the money without the Grant restrictions*).

Process to transfer to a residual account:

1. Confirm with the departmental accountant that all expenditures have posted to the OSP index and that the programmatic obligations and deliverables have been met.
2. Relay to the department that the original grant or contract has been fulfilled, OSP can initiate the balance remaining to be transferred from the Office of Sponsored Programs restricted area of the University to the unrestricted designated area and the 432xxx to use. (*UBS has determined that a 432xxx fund can have residual funds from more than one source*)
3. OSP Fiscal Manager calculates the remaining F&A’s to be collected and complete the [external Journal Voucher](#) making sure this amount posts prior to transferring the remaining direct cost cash balance from the OSP index. Form should be approved by the Associate Vice President for Research.
4. OSP Fiscal Manager prepares a [revenue correction](#) to move the positive cash from the OSP index to the OSP Clearing account (42RGC).
5. An [external Journal Voucher](#) is also prepared to move the funds from the OSP Clearing Account (42RGC) to the unrestricted designated area of UBS.

The entries to move the funds from the OSP Clearing Account (42RGC) should be as follows:

SEQ	JRNL.TYP	INDEX	FUND	ORGN	ACCT	PROG	ACTV	AMOUNT	DC	DESCRIPTION
1		42RGC			GCLR			2,000.00	D	TO 432XXX
2		42RGC			53910			2,000.00	C	FR 4W
3										
4		42RGC			68801		XRRGT	2,000.00	D	TO 432XXX
		432XXX			53975		XRRGT	2,000.00	C	FR 4W
		0	0	0		0	0	8,000.00		

Attach any correspondence with the department and a copy of the F&A Journal Voucher as backup. Forms should be signed by the OSP Financial Officer and/or Assistant Director.

6. OSP fund can be closed once the revenue correction has been processed.

REMEMBER – RESIDUAL ACCOUNTS MAY ONLY BE USED FOR FIXED PRICE CONTRACTS OR PURCHASE ORDERS (permission from the sponsor is not needed unless it is not clear of the agreement type).

Extension Center regularly uses funds that start with 036xxx for various activities, please contact the OSP Financial Officer or University Business Services directly for approval to use this fund type instead.