

**Policy on Disposition of Surplus Funds
from Fixed Priced or Performance Based Grants and Contracts**

Revised 6/18/2013

The CEO for Chico State Enterprises shall determine the availability of “surplus funds” from an externally funded grant or contract. The distribution of surplus funds shall be at the discretion of the CEO or his/her designee, using the following guidelines:

- This policy **only applies** to **surplus funds** available at the end of the project period and after completion of all deliverables required by the grant or contract.
- All costs charged to the project must be **allowable** and **allocable** to that **specific project** and the project must be successfully completed so that the funds are legally earned.
- If no indirect or only partial indirect costs are allowed under the original agreement, the balance of surplus or unexpended funds will be used to recover the “full indirect costs” allocable to the specific project. The full indirect cost for non-federal projects is 30% of modified total direct cost; the full indirect cost for federal and for profit projects would be the current rate approved by Department of Health and Human Services (DHHS) which is modified total direct costs. Please refer to the current negotiated rate on file with CSE.

After all of the above items are taken into consideration and calculated, the following steps should be applied:

- Any surplus or unexpended funds will be shared equally (50/50) between the **Project Director** responsible for the conduct of the specific project, and Chico State Enterprises’ **Professional Development account**.
- The Project Director’s share of the surplus funds will be transferred to the appropriate Chico State Enterprises **Board Designated account**. In the case of a center or institute, the funds shall be placed in a Chico State Enterprises Board Designated account for use by the appropriate administrator of the center or institute or advisory board of the center or institution.

Any variation in the distribution of surplus funds, from the policy stated above, must be submitted in writing to the Chico State Enterprises CEO and the Vice President for Business and Finance for approval.