

## **Policy 19 - Fixed Price Contracts**

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Most agreements enabling the use of external funds to Missouri State University are on a cost-reimbursable basis (grants). However, under some circumstances a fixed-price contract may be negotiated.

When an agreement is a fixed-price contract, provisions must be made by the Principal Investigator with their cost center administrator (Provost, Chancellor, Vice President, Dean or Chief Financial Officer) through their department or center to have a financing plan of responsibility for the project should costs exceed revenues from the contract.

Facilities and administrative (F & A) costs based on the University's cost rates must be included in every fixed price contracts proposal unless an alternative rate or exemption has been clearly established through existing policy or practice, endorsed by the appropriate Director, Department Head and/or Dean and approved by the Provost and/or Vice President for Research and Economic Development.

Upon completion of the project and confirmation from the sponsor that the terms of the contract have been satisfactorily met, excess funds will belong to an account for the benefit of the Principal Investigator and/or department or center having primary responsibility for the project.