

Closeout Procedure for Government and Private Fixed Price Purchase Orders

Fixed Price Purchase Orders are awarded to the Smithsonian Institution (SI) to complete a specific task for a fixed amount within a specified time frame. Fixed Price Purchase Orders are not cost reimbursable. The full amount of a Fixed Price Purchase Order is available to the Principal Investigator (PI) within the Fixed Price Purchase Order work scope and time period, and for up to 90 days after award end date to complete expense adjustments.

It is assumed that SI general funds are used to produce net income earned when direct expenses associated with completing project tasks are unidentified and a balance remains. Therefore, balances remaining on Fixed Price Purchase Orders 90 days after the award end date belong to the SI general fund. PIs may request the Office of Planning and Budget (OPMB) approval to use such balances 90 days after the Fixed Price Purchase Order end date. OPMB will advise the Office of Sponsored Projects (OSP) of such requests, and any OPMB approvals granted including balance transfer instructions to close the designated code.

OSP pre-award staff notifies PIs in the award brief of their requirement to spend all awarded funds within the Fixed Price Purchase Order period. In addition, OSP pre-award staff sends notices to PIs at 90, 60 and 30 days prior to a Fixed Price Purchase Order end date to remind PIs to fully spend all award funds before the end date. OSP post-award staff also sends a closing notification to both the PI and financial manager at award end date reminding them of their responsibility to spend any Fixed Price Purchase Order balance remaining or to post any expense adjustments before the 90-day adjustment period ends.

At 90 days after the Fixed Price Purchase Order end date, OSP post-award staff will transfer any remaining balance to the SI general fund.