

## **Purdue University Termination Guidelines**

This document provides guidance for termination notices on sponsored programs.

### **Framework for Costs and Non-cancellable Obligations**

In the context of university research and sponsored programs, **reimbursable costs and non-cancellable obligations** under a **termination** from a **federal or non-federal funding sponsor** typically include costs that the institution has already incurred or committed to that **cannot be reversed or mitigated without financial penalty or undue hardship**. We expect that actual costs incurred through the date of the termination and non-cancellable obligations would be eligible for reimbursement from sponsors. These obligations generally fall into the following categories:

#### **1. Purdue Personnel-Related Costs**

- **Salaries and Fringe Benefits:** Salary and benefits for personnel through the date of the termination.
- **Separation Costs:** Required separation costs for faculty, staff or postdocs, consistent with institutional policy (e.g. termination vacation, notice period, etc.) Requirements will vary by type of position and should be reviewed with the Business Office and Human Resources.
- **Graduate Student Support:** Stipends and health benefits for graduate students through the end of the current academic term. Student jobs are established for the academic semester and the University does not allow mid-term termination of student funding. PI's should always look to see if there is a potential reassignment before including graduate student support as a non-cancellable.

#### **2. Subawards and Subcontracts Issued by Purdue**

- **Costs and Non-Cancellable Obligations within Subcontracts:** Actual costs incurred through the date of termination. Includes subaward or subcontract obligations that the subrecipient has already incurred (e.g., equipment orders, salary commitments) that cannot be canceled or mitigated.
- **Termination Costs for Subrecipients:** Any costs associated with terminating subawards if required under the agreement.

#### **3. Equipment and Capital Purchases**

- **Non-Cancellable Equipment Orders:** If an equipment purchase has been placed and cannot be canceled without penalty.
- **Custom Fabricated Equipment:** If an order has been placed for custom-made equipment that cannot be repurposed.

#### **4. Travel and Conference Fees**

- **Non-Refundable Travel Expenses:** Prepaid airfare, hotel reservations, or registration fees for conferences that do not allow refunds.

- **Visa and Relocation Costs:** If the project involved hiring an international researcher and associated visa costs were already paid.

## 5. Service and Consulting Agreements

- **Facility and Service Contracts:** Prepaid leases, service contracts, or agreements for core facilities, lab space, or other specialized research services.
- **Consultant Fees:** If a consultant agreement has been executed and work is already in progress, costs for work through the date of the termination.

## 6. Materials and Supplies

- **Specialized Research Materials:** Custom-ordered supplies (e.g., reagents, biological materials) that cannot be returned or reused.
- **Bulk Purchases with No Return Option:** Large orders placed in advance that suppliers will not take back.

## 7. Compliance and Regulatory Costs

- **Institutional Review Board (IRB) or Institutional Animal Care and Use Committee (IACUC) Costs:** If regulatory reviews have been completed for committed expenditures that have already been incurred (animals, human subject payments).
- **Hazardous Waste Disposal Fees:** If research materials or hazardous substances require disposal due to the halt.

## 8. Indirect Costs

- **Facility & Administrative (F&A) Costs:** If these costs are tied to committed and obligated expenditures that have already been incurred.

## Final Considerations

- **Documentation is key:** Purdue and its subrecipients must provide detailed documentation of costs and non-cancellable obligations.
- **Sponsor approval:** Some sponsors may require specific approval before reimbursing termination costs.
- **Mitigation efforts:** The university may need to demonstrate attempts to mitigate financial impacts.