



INDIANA UNIVERSITY

Sponsored Programs (Grants and Contracts) and Gifts: Definitions and Administration

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Effective: 1 February 2011
Last Updated: 1 February 2011

Responsible University Office:
Office of Research Administration

Responsible University Administrator
Steve Allen Martin, Associate Vice President for Research

Policy Contact:
James P. Becker, Executive Director, Grant and Contract Services

Scope

This policy applies to all gift/grant determinations at Indiana University and to all Indiana University faculty and staff involved in the preparation, submission, and processing of proposals and processing of awards for external funding.

Policy Statement

It is the policy of Indiana University that all external support received by the University is properly defined, processed and administered.

Reason for Policy

Due to the varied but sometimes overlapping paths by which funding for sponsored programs and corporate and foundation giving are solicited, it can be unclear to those involved whether the awarded funds fall under the purview of the Indiana University Foundation or the research offices of Indiana University. The intended purpose of this policy is to provide guidance in defining sponsored

programs as well as provide a review process for those cases that may seem unclear in the face of this guidance.

Most importantly, it should be noted that neither the process by which funds are acquired, nor the source of the external funds, nor the term “gift” or “grant” determine how the funds should be administered. The proper administration of funds is generally based upon the terms and conditions that are a requirement of the awarded funds.

This policy provides guidance to ensure best practices in the fiscal management of sponsored programs - grants and contracts - at Indiana University and to meet federal, state, and regulatory requirements for the proper stewardship of funds.

Procedures

In instances where the type of financial support from the external entity is unclear, the definitions of Gift and Sponsored Program below provide guidance. Staff members within the Office of Research Administration and the Indiana University Foundation are also available to assist in determining whether the financial support constitutes a gift or a sponsored program.

Resolution Process

Situations may arise where the proper classification cannot be readily determined by the guidance provided in this document. These situations should be referred to and shall be resolved mutually by and between the Chief Financial Officer of the Indiana University Foundation and the Associate Vice President for Research Administration.

Definitions

Sponsored Program: A project funded by a non-institutional sponsor. The presence of any one of the following conditions shall necessitate that the funds be treated as a sponsored program and routed to and signed by the Office of Research Administration. However, the absence of any of these conditions shall not necessarily constitute a determinant as to how the awarded funds should be administered.

- The proposed work requires a specific line of scholarly inquiry such as a work statement, testing of a hypothesis, a model project, or a defined set of deliverables. Deliverables may include programmatic, technical, and detailed financial reports during or at the conclusion of the project.
- The sponsor requires a specific time period for conducting the project.
- The sponsor imposes restrictions on the publication or dissemination of results of the project.
- The line of inquiry involves testing proprietary products or

intellectual property rights, or the sponsor requests options on the results or product.

- The funds are awarded following a competitive application or bid process.
- Funding is awarded based on specific budget categories, and permission must be sought from the sponsor to change the budget.
- Federal, state, or other governmental fiscal compliance policy governs the project.
- The project includes funds for facilities and administration (also called indirect costs or overhead).
- The award is revocable, or unexpended funds must be returned to the sponsor at a certain point.
- There are requirements for audits by or on behalf of the funding source.

Types of Sponsored Programs:

Sponsored Program - Assistance Mechanism: Grants

An award of financial or other assistance to the grantee institution to accomplish a public purpose. The project is conceived and details are defined by the investigator at the grantee institution. The sponsor is not significantly involved in the conduct of the project. The investigator retains scientific freedom and results are not guaranteed. Grants are more flexible than Cooperative Agreements and Contracts.

Sponsored Programs - Assistance Mechanism: Cooperative Agreements

A support mechanism used on federal projects when there will be substantial agency scientific or programmatic involvement. Substantial involvement means that, after award, scientific or program staff will assist, guide, coordinate, or participate in project activities. The principal purpose of a cooperative agreement is to accomplish a public purpose of support authorized by federal statutes as opposed to an acquisition by purchase of property or services for the direct benefit or use of the federal government.

Sponsored Programs - Procurement Mechanisms: Contracts

A mechanism for procurement of a product or service with specific obligation for both sponsor and recipient. Typically the research topics, scope, budget, time period of work are specified in detail by the sponsor, although some sponsors award contracts in response to unsolicited proposals. There is little, if any, latitude to modify scope of activities and expenditure. Sponsor approval is typically required for any such changes. The outcome is often a tangible deliverable.

Gift: Funds from private individuals, non-governmental source that imposes no

contractual requirements, and/or awarded irrevocably. Gifts received for the benefit of Indiana University must be spent or utilized according to donor intent. The Fiscal Officer must ensure that funds are used in compliance with donor intent. The following are conditions that will usually characterize awarded funds as “gifts”. Please note that solicitations for gifts must be approved and managed by the Indiana University Foundation.

- Funds from private individuals.
- Funds from a non-governmental source that imposes no contractual requirements.
- Funds that are awarded irrevocably.

Sanctions

Failure to correctly implement this policy may result in the mis-classification of external support, inadequate administration of external support, and disallowances.

Additional Contacts

<i>Subject</i>	<i>Contact</i>	<i>Phone</i>	<i>Email</i>
Policy Implementation	James P. Becker, Executive Director	812.855.4884	jambecke@indiana.edu

Forms

NA

Related Information

NA

History

Replaces:

- Important Notice 01-4 “Defining a Sponsored Project vs. a Gift”
- Important Notice 98-02 “Contract Language”