OUHSC Policy for Processing External Funds

Proper classification and processing of external funds (i.e., gifts, grants, and contracts) assures the University's ability to comply with any terms specified by the sponsor/donor, meet reporting requirements, properly recover its costs – both direct and indirect – and facilitate acceptable levels of accountability and stewardship for these funds. **NOTE:** *All proposals, contracts, grants, or gifts for research, training, public service projects, regardless of funding source* **– must be routed through The Office of Research Administration (ORA) in order to assure compliance issues.**

Guidance for Processing External Funds

The University utilizes the following criteria to determine how external funds are classified and processed. The existence of one factor alone may not be determinative of whether projects should be classified as gifts or sponsored funds. Multiple factors are considered in order to decide whether a sponsored project exists.

Sponsored Projects
The University defines a sponsored project to be any externally funded research, training, public service or other scholarly activity that has a defined scope of work or set of objectives, which provides a basis for sponsor expectations. The following are characteristics of a sponsored project:

- Sponsor requires specific deliverables (e.g., final technical report, evaluation, technical assistance, training). This does not include minimal requirements, generally relating to required donor pledge payments and the University's commitment to effectuate the donor's intent (i.e., stewardship).
- Sponsor requires return of unexpended funds.
- Award designates a sponsor employee (agent) as project technical monitor, as opposed to designating a contact person to improve communications.
- Award contains intellectual property rights provisions and/or technology transfer.
- Award restricts or monitors publications or use of results.
- Award payments are contingent upon programmatic or fiscal reporting (e.g., specific milestones, invoices).
- Award requires protection of sponsor and confidential information.
- Award contains an itemized budget, which requires sponsor approval to modify and/or that is subject to the provisions of federal and/or general cost accounting standards.
- Request for funding will be used to fulfill a matching or cost sharing commitment on another sponsored project or requires a matching, cost sharing or other financial commitment from the University.
- The project is linked to other sponsored research projects or contracts being conducted by faculty/researchers.
- Project involves the use of human subjects, vertebrate animals, radioisotopes on humans, radioactive materials, recombinant DNA, human body substances, etiologic agents or proprietary materials.

Not Considered Sponsored Projects
Activities supported by a donor that are generally not considered sponsored projects may include the following characteristics:

- Award supports an unrestricted purpose or such activities as endowments (e.g., endowed chairs, professorships), general student support (e.g., scholarships, fellowships), or general research support .
- Award contains only minimal requirements, generally relating to required donor pledge payments and the University's commitment to effectuate the donor's intent (i.e., stewardship).

- Award requires only minimal reporting to the sponsor donor in the form of a general statement of how funds were used (e.g., annual report, acknowledgement letter, IRS forms).
- Awards are irrevocable.

Additional Information
The Office of Research Administration will work with the offices of University Development and Financial Services to determine a project's correct classification.