

THE UNIVERSITY OF ALABAMA IN HUNTSVILLE

DISTINGUISHING SPONSORED PROJECTS FROM GIFTS

Number 07.02.05

Division Office of Sponsored Programs

Date April 14, 2012

Purpose Due to the varied but sometimes overlapping paths by which funding for sponsored projects and corporate and foundation giving are solicited, it can be unclear to those involved whether the awarded funds fall under the purview of UAH Office of Advancement or the Office of Sponsored Programs. The intended purpose of this policy is to provide guidance in defining sponsored projects 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" nor "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.

Policy The presence of any one of the following conditions shall necessitate that the funds be treated as a sponsored project and routed to and signed by the Office Sponsored Programs. 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.

Procedures 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 UAH Office of Advancement and the Office of Sponsored Programs.

Important Note: While not a determinant of gift or sponsored project, any activity involving the use of human subjects, laboratory animals, radiological hazards, recombinant DNA, or other research risks must obtain the proper prior approvals from the appropriate unit.

Definitions:

Basic (aka fundamental or pure) research as defined by NSF is the “*systematic study to gain knowledge or understanding of the fundamental aspects of phenomena and of observable facts without specific applications toward processes or products in mind.*”

For example, basic science investigations probe for answers to questions such as:

- How did the universe begin?
- What are protons, neutrons, and electrons composed of?
- How do slime molds reproduce?
- What is the specific genetic code of the fruit fly?

Examples of Basic (fundamental) Research awards are grants (NSF, NIH, NASA, ARO, etc.) and cooperative agreements.

Applied research as defined by NSF is “*systematic study to gain knowledge or understanding necessary for determining the means by which a recognized and specific need may be met.*”

For example, applied researchers may investigate ways to:

- improve agricultural crop production

- treat or cure a specific disease
- improve the energy efficiency of homes, offices, or modes of transportation
- Phase I, Phase II SBIR/STTR, commercial contracts and some state contracts/grants.

Development is systematic *use of the knowledge and understanding* gained from research for the production of useful materials, devices, systems, or methods, including the design and development of prototypes and processes.

Examples of Development are: contract specific and will be defined in the SOW to include awards issued under a Delivery Orders contract.

Instruction and Training is defined as *teaching and training activities*. Sponsored instruction includes agreements which support curriculum development as well as all types of teaching/training activities, whether offered for credit toward a degree or certificate, on a noncredit basis, or through regular academic departments or by separate divisions, summer school, or external division.

For example, instruction and training includes:

- Any project for which the purpose is to instruct any student at any location.
- Curriculum development projects at any level, including projects which involve evaluation of curriculum or teaching methods. Note that such evaluation may be considered “research” when the preponderance of activity is data collection, evaluation, and reporting.
- Projects which involve UAH students in community service activities for which they are receiving academic credit.
- Activities funded by awards to colleges or centers for the support of students.
- Fellowship support for pre-doctoral and post-doctoral training activities, which may include grants to fund dissertation work and travel in relation to a dissertation.
- General support for writing of textbooks or reference books, video or software to be used as instructional materials.

Other Sponsored Activities are programs and projects which *involve the performance of work other than instruction and organized research*. Most projects in this category do not involve students or benefit from the library.

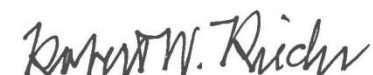
Examples of Other Sponsored Activities include:

- Travel grants
- Support for conferences, seminars or workshops
- Support for University public events such as “exhibits”

- Support for student participation in community service projects which do not result in academic credit.
- Support for projects pertaining to library collections, acquisitions, bibliographies, or cataloging.
- Programs to enhance institutional resources, including computer enhancements, etc.
- Health services programs/projects.

Review The Office of Sponsored Programs is responsible for the review of this policy every five years, next review, or whenever circumstances require.

Approval



Chief University Counsel



Vice President for Research and Economic Development



Senior Vice President for Finance and Administration




Director, Office of Sponsored Programs



Director, Contracts and Grants Accounting

APPROVED:



President