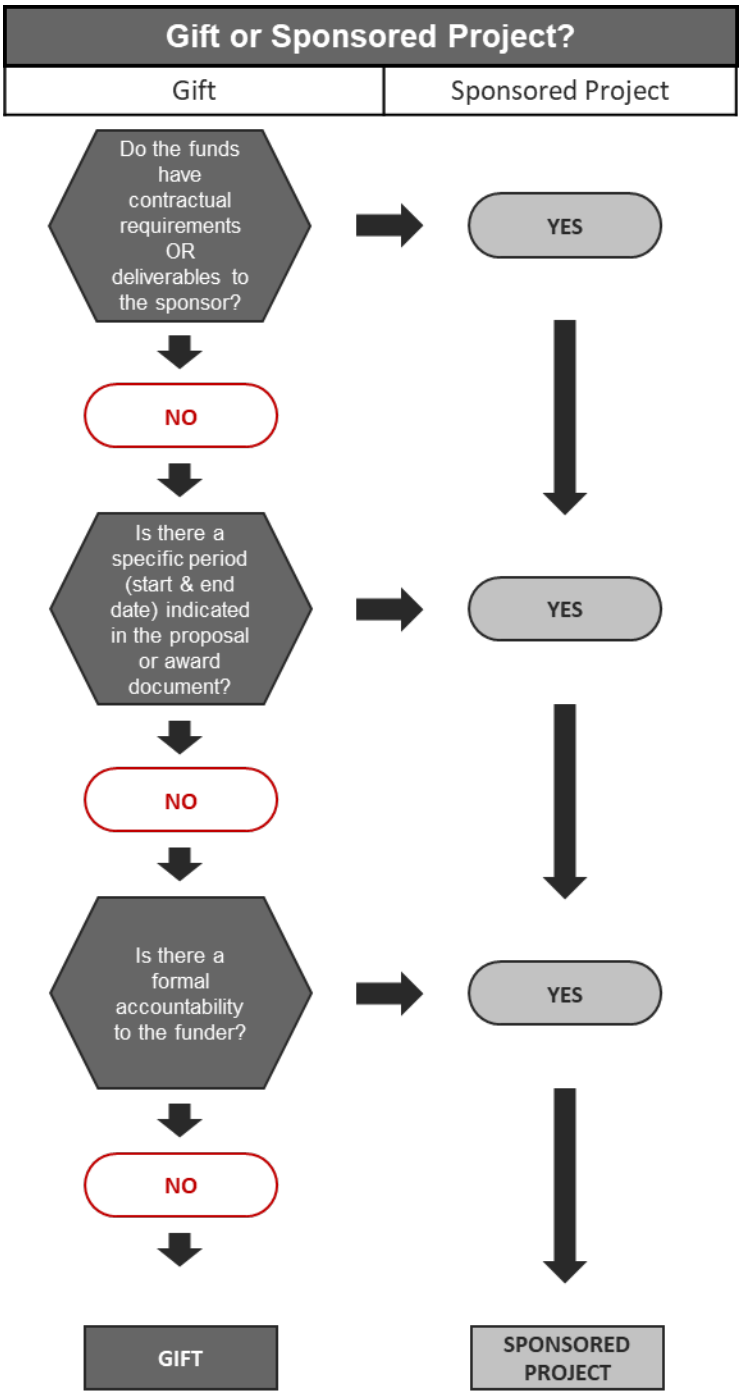
August 25, 2020

Sponsored Project or Gift?



The classification of external funds as a grant or an unrestricted gift are important fiscal and fiduciary responsibilities of the University. Classification and processing of these funds are sometimes complex and requires the exercise of informed judgment, particularly in the many cases where the nature of the funds is not immediately clear. When this happens, a careful review of the documents that accompanied the external funding is needed to understand the funders intended use of the funds. The flow chart to the right will help users with this determination. If the award/funds document contains any of the indicators listed under sponsored project in the table below, the funds should be treated as a sponsored project.

Sponsored Programs/Projects

Sponsored programs (which includes both research and non-research activities, such as public service, teaching and instruction) are defined as those activities, funded in whole or in part by sources external to the University, for which there is an expectation (implied or specifically stated) on the part of the funder for performance, a deliverable or an outcome. This includes privately funded grants and contracts, federal, state, local, business and industry, other institutions, and private foundations. Funds are awarded through various mechanisms such as grants, contracts, and cooperative agreements, and/or other legally binding means of transfer. The OSU Office of Sponsored Programs (OSP) is the unit authorized to seek, accept and administer all sponsored agreements.

Gift

An unrestricted gift is defined as a flexible, irrevocable award of money, equipment, or other property of value given to the University by a donor who wishes to support the research of a faculty member or group of faculty members, but who expects nothing of significant value in return, other than the recognition and disposition of the gift in accordance with the donor's wishes. The Advancement Office processes donor gifts. However, there may be situations that funds processed through Advancement could be considered research or extension project funds (refer to criteria on pg.2) and required to be entered in the PI Portal through OSP while at the same time being recognized as gifts within the TAS system through the CFAES Office of Advancement.

Sponsored Project or Gift criteria

Factors	Office of Sponsored Programs Indicator	Unrestricted funds (gift) Indicator
Application	Formal or informal application submitted to the funder includes a budget and scope of work. All extramural funding applications (federal, state, local, business and industry, private foundations, etc.) can only be submitted by those with PI status at OSU. An ePA-005 form is to be filed.	Proposals normally do not include an itemized budget or milestone payment. May be for an activity at the university, e.g. library, scholarships, facilities, endowment, student financial aid. Submitted through the Advancement Office.
Fiscal Reporting and Accountability	Submission of invoices, financial reports, audit provisions and/or an obligation to return unexpended funds.	No formal fiscal accountability to the donor beyond stewardship periodic reports as requested.
Period of Performance	A period of performance is indicated by the funder. If work is not completed within the specified period, an extension, if allowed, must be requested, and in some cases may require prior approval.	No period of performance is specified by the donor.
Terms and Conditions	Terms and conditions may include indemnification, governing law, export control, intellectual property (e.g., patent rights requested by grantor), data use and ownership, payment and/or invoicing language, prior approval requirements, CDA or an MTA.	The terms of a gift agreement are not characterized as contractual obligations or "deliverables". Qualifies for IRS tax treatment as a charitable contribution by the donor. The donor will receive acknowledgement from Advancement for the funds.
Confidential Information/ Publication	Award may require protection of sponsor confidential information and may restrict or monitor publications or use of results.	No restriction on information and publication or may be silent on the matter.
Human Subjects, Animal Care and Use, Biosafety	Project may involve the use of human subjects, vertebrate animals, radioisotopes on humans, radioactive materials, recombinant DNA, human body substances, etiologic agents or proprietary materials foreign collaborators or is subject to Export Control.	This type of activity if funded by an unrestricted gift, should not bypass compliance review and approvals.

Deliverables and/or Technical Reporting	Funders requires specific deliverables and/or technical or narrative reports, evaluations, technical assistance, training, etc.	No deliverables and report as evidenced by the absence of any quid pro quo language.
Effort Commitment	Commitment of personnel effort or course buy out to complete scope of work. (Time and effort certification)	No commitment or reporting of personnel effort included.
Fund documentation	Funds are managed by OSP within the PI Portal.	Funds are managed by Advancement and recorded in the TAS system.

Special Considerations:
If the funds can only be given to a 501(c)(3) organization, but still meets the characteristics of a sponsored project, it should be forwarded to OSP for review and management.

Funds that are being used for research and extension projects, meeting most of the criteria listed above should be reviewed and referred to OSP.

Determination Process:
The following steps should be taken when deciding if the funds are a gift or sponsored project. Decision-makers will collaborate with each other, resulting in an objective determination.

Level One Review: The department/unit makes the initial determination based on the guidelines above.

Level Two Review: If the department/unit cannot determine if a funder is providing an unrestricted gift or sponsored program funds, they should reach out the to the CFAES Office for Research and Graduate Education for review. They will consult with OSP and Advancement and provide a determination back to all parties.

Guidance provided by the CFAES Office for Research and Graduate Education and CFAES Office of Advancement.

Associated web links:

- Guidelines for Grants, Gifts and Contracts
- Gift Acceptance, University Policy
- Advancement Records-Legal Donors (available in Buckeye Learn)

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