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**TO: Deans, Directors, and Department Heads**

**From:** **Gayle Davis, Provost and Vice President for Academic Affairs**

**James Bachmeier, Vice President for Finance and Administration**

**Karen Loth, Vice President for University Development**

**RE: Guidelines for Sponsored Agreements and Philanthropic Gifts**

*This Note, a joint publication of the Provost the Vice President for Finance and Administration and the Vice President for University Development, clarifies the roles and responsibilities of two organizations at Grand Valley State University—the Office of Sponsored Programs and University Development—in the processes of identification, coordination, solicitation, acceptance, and administration of funds from external sources.*

Grand Valley State University receives funding from a variety of sources including government agencies, corporations, and private agencies to support the research, creative, training, and public service activities of the university faculty members, staff, and students. Private sector entities (private agencies, professional associations, private foundations, corporate foundations and corporations) may be either donors or sponsors depending on the nature, intent and expectations of the funding they are providing. The funds received are typically the consequence of a proposal extended to and accepted by the external entity. The university must ensure that (a) the proposed activities are appropriate to the mission of the university, (b) the researcher’s freedom to investigate and report results is preserved, and (c) there are facilities and sufficient resources to conduct the activities. In addition, it’s important to categorize these funds correctly so that they can be recorded, managed and reported in the manner that ensures appropriate stewardship and maximizes the benefits for both donor/sponsor and the university.

Private funds generally fall into one of two categories: Sponsored agreements or Philanthropic gifts. The Grand Valley State University Office of Sponsored Programs (OSP) is the entity authorized by the university to seek, accept and administer all Sponsored agreements. Philanthropic gifts and donations are received through Grand Valley State University or the Grand Valley University Foundation and managed by the Office of University Development (UD). The Office of University Development is the only entity authorized by the university to provide tax receipts for IRS purposes.

* Sponsored agreements are reciprocal, with each party giving and receiving something of relatively equal value in the transaction. Sponsored agreements are received as grants, contracts or cooperative agreements.
* Philanthropic gifts voluntarily transfer money, services or property from a donor to the university. There is no expectation of direct economic benefit or the provision of goods and services to the donor, although donors can place stipulations on gifts that direct the funds to the donors’ areas of interest. The absence of quid pro quo language helps define the charitable nature of this type of giving. Philanthropic gifts are received as grants or outright gifts.
* Since the term *Grant* can refer to a Sponsored agreement or a Philanthropic gift, it is important to look at both the intent of the funding and the other requirements of the grant to determine how it should be managed. The funder’s description of the funds as a gift, sponsored project or other terminology has no bearing on GVSU’s determination of it as a Sponsored Agreement and Philanthropic Gift.

**Procedure To Seek Approval To Solicit Sponsored Agreements and Philanthropic Gifts From Private Entities**

When representatives of Grand Valley State University wish to seek funding from external sources, they must receive approval to do so. Coordination across institutional offices is necessary to ensure the appropriate processes are positioned to protect the university and the external parties. These processes are based on the type of external party being approached, not necessarily on the type of funding or activity for which funding is sought.

When the external party is a private entity such as a corporation, foundation, professional associations, prior approval will be necessary from the departmental chair, the dean, and the Assistant Vice President for Development.

The approval process assures that:

* the principal investigator is capable of carrying out the program or activity;
* space, equipment, personnel and other resources to carry out the project or activity are available within the college or have been assured by another source;
* there is a coordinated approach to all foundations, corporations, businesses, organizations and individuals in the private sector;
* the proposal conforms to the financial and/or programmatic standards of the funding source; and
* the proposal is consistent with the overall established priorities of the university

As part of his/her review, the Assistant Vice President for Development will determine, in consultation with the Vice Provost for Research Administration, whether private funds should be managed as a sponsored agreement or a philanthropic gift based on the funder’s intent and any restrictions that the funder may place on the funds. The university requires the principal investigator complete the attached Funding Request Clearance Form at least one month prior to proposal submission. OSP and UD share information regarding pending proposals to private entities to prevent conflicts through communication.

*The following indicators have been developed to help direct specific opportunities/award to the right university office.*

**Indicators for Administration and Oversight by University Development (UD)**

* The donor specifically intends the award be a charitable gift as reflected by the absence of any quid pro quo language
* The donor makes the gift to the university without expectation of direct economic or other tangible benefit, including the proprietary right to use the results of the study, commensurate with the value of the gift. Indirect benefits such as tax advantages, business or personal goodwill derived from close association with the university, and miscellaneous benefits derived from donor status are not sufficient to negate gift intent.
* The award is from a non-governmental source and provides support for broadly defined activities such as professorships, capital improvements, the university's endowment, instructional programs, unrestricted research, and current use funds. Current use funds are used to finance routine operations, including programming, within a college/unit.
* The university has no obligation to report to the donor how the gift was used or invested however; there is nothing to prevent the university from providing information to donors as part of donor stewardship. The unit or faculty member involved may provide the donor with a brief summary of the results of supported activities and/or a statement that expenditures were made in accord with the intent of the Philanthropic gift.
* The conditions or stipulations placed on the use of the award are reasonable and serve to direct the funds to areas such as scholarships, programs, infrastructure, or general research support of interest to the donor.

**Indicators for Administration and Oversight by the Office of Sponsored Programs (OSP)**

* The award is from a federal, state, municipal, or foreign governmental agency, from a quasi-governmental entity, e.g., Argonne National Laboratory, or is from a private-sector sponsor that provides a subcontract or sub-award containing so-called "flow down" of federal, state, or local government award provisions.
* The proposal and/or award document places restrictions on the publication of data from activities supported by the agreement, including outright restriction of publication or the requirement for prior review or approval by the sponsor.
* The proposal and/or award document stipulates a cost-sharing commitment of the university’s resources (i.e. personnel, facilities, equipment).
* The proposal and/or award document specifies to a line item budget with specific limitations, cost accounting and effort reporting standards, payment contingent upon satisfactory programmatic progress, and prior sponsor approval for such things as pre-award costs incurred.
* The proposal and/or award document requires an authorized institutional signature stipulating research compliance certification (e.g., human subjects, laboratory safety).
* The sponsor requests proprietary rights to data or inventions resulting from activities conducted under the agreement. This would include any proprietary rights and/or references to licensing arrangements for patents or copyrights developed as a consequence of the activity.

Establishing and understanding the donor’s intended use of the funds will usually answer the question as to which of the two university foundations that process private gifts should process the money. If however, there are still questions, contact:

Research Administration

Robert Smart Christine Chamberlain

Vice Provost for Research Administration Director for Office of Sponsored Programs

616.331.6840 616.331.6868

smartr@gvsu.edu chambech@gvsu.edu

University Development

 Jennifer Wardrop Scott Blinkhorn

 Asst. Vice President – University Development Asst. Vice President – Development Services 616.331.6644 616.331.5705

 wardropj@gvsu.edu blinkhos@gvsu.edu

**Statement on Contracts**

A contract for scholarly endeavors (broadly defined as research and development, extension and economic development, instruction, training, and pubic good) is a written agreement defining the role of the university in executing performance outlined in a narrowly defined scope of work. The agreement is binding and creates a quid pro quo relationship between the university and the entity.

Contracts for scholarly endeavors must name as the recipient Grand Valley State University, should be reviewed by University Counsel before initiation, may only be signed or entered into by an appointing officer of Grand Valley State University or their designees, and should be in furtherance of the priorities and mission of the university.

Copies of contracts should be submitted to University Office of Sponsored Programs (OSP) for retention.

**Statement on Indirect Cost Recovery**

All projects supported by sponsored agreements, including contracts, are subject to the recovery of facilities and administrative costs (F&A) at the university’s approved and published rate. In some cases the sponsor has a written policy, uniformly applied, prohibiting or restricting the payment of F&A to a lower rate. An exception to the university’s F&A cost recovery policy may be warranted if it is clearly in the best interest of the university to accept the award with less than full F&A cost recovery. This exception does not apply to for-profit sponsors who are expected to provide full F&A when funding sponsored programs. Designation as a gift will not preclude the recovery of indirect costs if allowed by the donor.

**Statement on Reporting External Financial Support**

Annual reporting of external financial support has an impact on the university’s financial position and the university’s reputation and prestige as viewed by people in academe, government agencies, business and industry, the philanthropic community, and the general public. It is important that OSP and UD regularly and accurately report to stakeholders the totals of financial support from sponsored agreements and gifts that have been received by the university.

OSP may count toward the sponsored program totals for external reporting purposes all gifts to Grand Valley State University managed through University Development that support the research, creative, training, and public service activities of faculty members, staff members, and students. OSP will follow the reporting standards established by the National Council of University Research Administrators, the Financial Accounting Standards Board, and the National Association of College and University Business Officers.

UD may count toward the private sector development totals for external reporting purposes all

sponsored agreements awarded to Grand Valley State University from individuals, corporations, foundations, and other private-sector sources that have been routed through and managed by OSP. UD will follow the reporting standards established by the Council for Advancement and Support of Education, National Association of College and University Business Officers, Council for Aid to Education, and the Financial Accounting Standards Board.

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| **Funding Request Clearance Form****Please complete this form at least one month prior to the external deadline. A decision will be made within a week of receiving a completed Clearance Request Form. A copy of the fully executed document will be sent to the PI, OSP, and UD** | **C:\Users\smartr\AppData\Local\Temp\Blackmarktop.jpg** |

Request Date: **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** Deadline: **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

Foundation Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Foundation Address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Foundation Contact: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Phone: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ E-mail: \_\_\_\_\_\_\_\_\_\_\_\_

Project Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Funds requested: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Matching: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Required Information:**

1). Brief Abstract (200 words or less):

2). Rationale for approaching this foundation:

**Required Signatures**

 Principal Investigator: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ E-mail: \_\_\_\_\_\_\_\_\_\_\_ Phone: \_\_\_\_\_\_\_\_\_\_

 Department Chair: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ E-mail: \_\_\_\_\_\_\_\_\_\_\_ Phone: \_\_\_\_\_\_\_\_\_\_

 Dean: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ E-mail: \_\_\_\_\_\_\_\_\_\_\_ Phone: \_\_\_\_\_\_\_\_\_\_

**Determination to Approach the Private Entity:**

UD (Approval) or (Denial) to approach/apply: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_

 Assistant Vice President for University Development

**Determination of Supporting Office:** (Office of Sponsored Programs) (University Development)

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Assistant Vice President for University Development Vice Provost for Research Administration

**Rationale:**