

***Gift, Sponsored Project or Something in Between?***  
***A Guidance Document for Processing External Funds***

*Office of Corporate and Foundation Relations, University Development Office  
and the Office of Sponsored Projects, Office of the Vice President for Research  
The University of Texas at Austin*

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The Office of Corporate and Foundation Relations in the University Development Office and the Office of Sponsored Projects (OSP) in the Office of the Vice President for Research strive to maximize the University's ability to effectively attract, process, manage, and steward external financial support.

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. Classification and processing of these awards is sometimes complex and requires the exercise of informed judgment, particularly in the many cases where the nature of an award is not immediately clear.

The University defines a sponsored project to be any externally funded research or scholarly activity that has a defined scope of work or set of objectives, which provides a basis for sponsor expectations. Sponsored projects enhance and expand the educational opportunities available to undergraduate and graduate students at the University, promote research, scholarly inquiry, and the development of new knowledge, contribute to the academic achievement and stature of the institution, and assist the University in fulfilling its responsibilities to the state and the nation. The following list of characteristics is provided as a means of further clarifying how external funds from non-governmental entities will be classified and processed at The University of Texas at Austin.

**The existence of one factor alone may not be determinative of whether projects should be channeled through OSP.** Multiple factors should be considered in order to decide whether a sponsored project exists and therefore must be processed through OSP according to procedures set forth by that office.

### **Sponsored Projects**

All research – ***proposals, contracts, or grants, regardless of funding source*** – must be processed through the Office of Sponsored Projects in order to assure research compliance. 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 includes "boilerplate" terms and conditions imposed by the project sponsor or negotiated with the sponsor by the University.
- Award requires protection of sponsor and confidential information.
- Award contains an itemized budget that requires sponsor approval to modify and/or that is subject to the provisions of federal 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 (including unrestricted support for an area of research) or such activities as endowments (e.g., endowed chairs, professorships), capital projects (e.g., construction or renovation, equipment), general student support (e.g., scholarships, fellowships), general operation of an existing, non-research-related project/program, or other general support.
- Award contains only minimal requirements, generally relating to donor pledge payments and the University's commitment to effectuate the donor's intent (i.e., stewardship).
- Award requires only minimal reporting to the 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**

OSP and the University Development Office will work together to determine a project's classification when it includes characteristics that, taken alone, will not necessarily determine a project's classification. To obtain additional information or assistance, please do not hesitate to contact:

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