



Clark Atlanta University
Research and Sponsored Programs
Definition of Sponsored Program Activities – 17 Nov 2008

The University serves as the recipient of sponsored program funding. While faculty or staff may be the authors of proposals requesting funding, the University is the official recipient and custodian of the extramural funding and support. As such, the University accepts responsibility for oversight, compliance management and appropriate conduct of sponsored activities on behalf of the principal investigator or project director. It is imperative that the University maintains a centralized, coordinated approach to the review, approval, submission and management of all sponsored program activity. Review and approval processes must be clearly defined and established to provide the University with appropriate controls for compliance and sound management of all sponsored program activity.

Sponsored program activities are defined as those activities, sponsored 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 sponsor for performance, deliverable (s) or outcome (s). Sponsored programs are generally conducted by faculty, but may be conducted by staff or members of the University administration. Sponsored programs are awarded through various mechanisms - grants, contracts, cooperative agreements, and/or other legally binding means of transfer.

Sponsored program activities may support instruction, research and/or public service activities. They are identifiable by the following characteristics. A program does not need to include all elements to be considered to be "sponsored."

- An investigator-initiated project that specifies proposals for research, training, or public service activities to an outside entity
- Inclusion or allowance of Indirect Costs/Facilities and Administrative (F&A) Costs
- Percentage of faculty time on project (may or may not be compensated by the sponsor)
- Expectation (implied or specifically stated) of performance, deliverable or outcome by the sponsor
- Defined time period for the work to be conducted
- Progress, technical, final reports or other deliverables are required, excluding stewardship reports on gifts
- The project involves disposition of property, whether tangible or intangible, that may result from the project (e.g., equipment, records, inventions, copyrights, or rights in data)
- Statement or expectation of a "quid pro quo" relationship between the University and the sponsor
- The proposed project binds the University to a specific description of the activity/work to be conducted sometimes known as a *Scope of Work*
- A Line Item budget is involved

- A financial report is required, invoices are required for cost reimbursement, and the budget/performance is subject to audit
- All government funds, exclusive of financial aid
- All corporate research contracts, subcontracts or agreements
- Definition of how the funds may be spent and what conditions may apply to residual funds
- Use of University resources (equipment, space, students, etc.) mandate processing through RSP to determine classification.

The following further clarifies definitions relating to sponsored activities:

Grants

A type of financial assistance awarded to an organization for the conduct of research or other program as specified in an approved proposal. The proposal typically defines a scope of work or performance. The sponsor makes an award, which may be based upon a competitive review, and establishes terms and conditions for performance. These terms may be generally stated, as in many federal awards, or may specifically describe allowable and unallowable activities or costs. Unless prohibited by sponsor regulations, performance under grant awards may be modified to adjust to project conditions. Such modifications may be approved internally by the University or may require sponsor authorization. Grants may be awarded through simple contractual agreements, letters of authorization, payments of fees, or other similar mechanism. Their defining feature is that they are governed by specific rules or regulations pre-established by the sponsor, and that they provide for some flexibility in the conduct of the activity.

Contracts

A legally binding arrangement or performance agreement for carrying out a specific service or procuring a product that entails specific obligations for both sponsor and recipient. Contracts are a more restrictive mechanism for securing services than grants, and may specify penalties for nonperformance. A **Fixed Cost or Fee for Service Agreement** is one in which one party pays the other party, a predetermined price, regardless of actual costs, for services rendered. A **Cost-Reimbursement Agreement** is one in which the sponsor pays for the full costs incurred in the conduct of the work up to an agreed-upon amount, and for which invoices containing back-up information of costs incurred are generally required. A **Percent Completion** contract is one in which the sponsor contracts for completion of specific tasks, and payment is made upon receipt and approval of a report or other deliverable.

Contracts may be awarded for research, assessment, specific work performance, instruction, training, or similar activities. Generally, contracts will define specific details of the legal relationship between the participating entities and will incorporate the description and cost of the work to be performed either as a legally binding attachment or embedded in the contract document. A purchase order may be a form of contract.

Matching Grants

Some sponsors require the applicant to demonstrate commitment to the proposed activity by providing funds in support of the overall project costs. Matching funds may be derived from institutional resources, either in-kind (donated time, space, equipment use, etc.) or

cash, or may be generated from other entities (third party). Sometimes the principal investigator (faculty submitting the proposal who will do the work if funded) will include matching or cost sharing to enhance chances of being funded, even if the sponsor does not require matching. **All proposals that include a cost-sharing component must be approved by the Vice President for Finance and Business Services and the Vice President for Research and Sponsored Programs.**

Cost-sharing is a major issue in federal awards. The federal government has issued specific guidance on matching funds and the responsibilities of recipients in accounting for these funds. Failure to comply may result in loss of revenue associated with the specifically funded project, or in general sanctions against the institution. The following are the three types of cost-sharing:

Mandatory – Required by the sponsor and specifically referenced in the proposal, budget or other submitted document. Must be accounted for in the institution’s accounting system.

Voluntary Committed – Committed by the institution in the proposal, budget or other submitted document to enhance possibility of funding, but NOT required by the sponsor. Must be accounted for in the institution’s accounting system. (Note: if a proposal is submitted with voluntary cost-sharing, and is subsequently awarded, the status of the cost-sharing converts to Mandatory.)

Voluntary Uncommitted: after the award is received, the University/PI provides more cost sharing than is promised or required. Example, a PI spends more time on the project than originally projected. Must be tracked and verified, but IS NOT entered into the institution’s cost-sharing system.

Funds promised and or provided by third parties to a sponsored program must meet the same reporting requirements imposed on the institution. The recipient (University) is responsible for acquiring and maintaining third-party matching documentation.

Challenge Grants

A grant that provides monies in response to monies from other sources, usually according to a formula. A challenge grant may, for example, offer two dollars for every one that is obtained from a fund drive. The grant usually has a fixed upper limit, and may have a challenge minimum below which no grant will be made. This form of grant is fairly common in the arts, humanities, and some other fields, but is less common in the sciences. A challenge grant differs from a matching grant in at least one important respect: the amount of money that the recipient organization realizes from a challenge grant may vary widely, depending upon how successful that organization is in meeting the challenge. Matching grants usually award a clearly defined amount and require that a specified sum be obtained before any award is made.

Cooperative Agreements

An award similar to a grant, but in which the sponsor’s staff may be actively involved in proposal preparation, and anticipates having substantial involvement in research activities once the award has been made.

Nonteaching Consulting Services

Consulting as an agent of the University is defined as additional activity beyond duties assigned by the institution, professional in nature and based in the appropriate discipline for which the individual receives additional compensation during the contract year. Consultancy services include addressing the technical and professional needs of communities, groups, agencies, businesses and other entities outside the University. Consulting services are NOT sponsored programs unless the University is the direct recipient of funds, and liable for the conduct of the activity performed by the University employee. In this instance, it is essential that these contracts be managed as sponsored programs, in that they involve co ordination of faculty time/effort reporting, and determination of appropriate overload policy interpretation.

Training/Workshops/Noncredit Teaching

Proposals for co nducting training/workshops/noncredit teaching functions are considered to be “sponsored programs” if they meet any of the above-stated criteria. Proposals which contain workshops and/or training embedded in their overall scope may be reviewed by the responsible dean, at the discretion of the Vice President for Research and Sponsored Programs. In addition, these activities are considered “sponsored programs” if:

- The sponsor provides a single payment in support of a collective activity (as opposed to fees charged to individuals to participate in such events)
- The sponsor is a federal or state entity
- The sponsor awards indirect/administrative costs as a part of the budget
- The activities are specifically academic in nature, as opposed to provision of auxiliary services (sports camps, etc.). Some sponsored programs will include training or workshops as part of the overall project activity. In these instances, the principal investigator is the responsible party on behalf of the University, and coordinates with the appropriate dean in delivery.
- Matching funds are either required or promised
- Faculty time is devoted to the activity

Gifts

A flexible, irrevocable award of money, equipment, or other property provided by a donor with few or no conditions specified. Gifts may be provided to establish an endowment or to provide direct support for existing programs. Frequently, gifts are used to support developing programs for which other funding is not available. Gifts meet the determination of having no “quid pro quo” relationship with the University, and as such are handled by the Vice President for Institutional Advancement & University Relations.

A gift to an organization implies no responsibility to provide the donor a product, service, technical or scientific report(s) or intellectual property rights. The donor may specify the use of the funds (as in to a specific scholarship fund) or the gift may be unrestricted for use in meeting the needs identified by the recipient organization.

Research gifts – A gift for research generally must meet the following conditions:

- a. Funds are awarded irrevocably
- b. The donor does not impose restrictive contractual obligations
- c. There is no commitment of direct project personnel effort to accomplish the research

- d. The funds are designated for scholarly endeavors

A research gift may be considered a sponsored project pending discussions and coordination with Institutional Advancement & University Relations.

Note: *RSP serves as the first point of contact for faculty seeking external funds. The office will review project/program concepts with faculty and seek possible sources of support on their behalf. From time to time, concepts may be forwarded to the Vice President for Institutional Advancement & University Relations for consideration as a part of a larger comprehensive development opportunity.*

Endowments

A fund usually in the form of an income-generating investment, established to provide long-term support for faculty/research positions (e.g., Endowed Chair). Endowments generally are not considered to be “sponsored program activity.”

Internships

An externally supported opportunity for an individual (student or faculty member) to engage in an extended learning or research activity. If the University is the recipient of internship funds, and the funding mechanism contains specific details concerning the obligation of the institution and/or the intern, the activity is treated as a sponsored program and must be internally approved and submitted as such.

Congressional/Legislative Allocations

In certain circumstances, federal and/or state governing bodies may directly appropriate funds to the University for specific purposes. It is important that the purpose of these funds represents the intent of the funding entity. In the case of most federal and state appropriations, the most common conveyance mechanism is to attach these funds to an existing agency program, and to request a proposal describing how the University will utilize these in keeping with the general intent of that specific program’s mandate. An award is then made to the University by the agency. In this circumstance, the federal or state regulations and restrictions applied to all recipients of funds under that agency program apply to the use of funds awarded to the University. For this reason, proposals requesting support under direct appropriations become sponsored programs so that they may be accounted for and managed properly.

NOTE: The Controller’s Office will not establish a University account for any sponsored activity without the review and approval of Research and Sponsored Programs.

Sources:

Definition of Sponsored Agreements and Gifts, <http://www.controller.vcu.edu/grants/gc-admin/gcadmin2008/G&CDefinitionofSponsoredAgreementsandGifts.htm>

Definition of Sponsored Activities, <http://research.louisville.edu/policies/definitionsponsored.html>

Definition of Sponsored Programs,

<http://academics.georgiasouthern.edu/research/Definition%20of%20Sponsored%20Programs%209.15.03.doc>

Designating Funding as a Gift vs. Sponsored Program,

<http://research.louisville.edu/policies/designatingfunding.html>

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**Clark Atlanta University
Clearance of Proposals to External Agencies for Funding of Research, Service, Instruction and
Academically Related Projects**

Agency Type	Via Research and Sponsored Programs	Via Institutional Advancement and University Relations
Federal, State, and Local Governments	X	
Foreign Govts.	X	
Foreign/Private Foundations, Corporations (non-contract) NGO's	Only research compliance-governed projects (see definitions below)	X
Schools, Colleges, Universities	X	Shared-Private Universities & pass-through from Private Agencies (i.e., non-government dollars)
Corp. Research, Training, and Service Contracts	X	X (See Definition Below)
Non-Federal Public Endowments, Foundations, Councils	X	
Learned Societies, Associations for Discipline	Only research compliance-governed projects (see definitions below)	X
Private Foundations	Only research compliance-governed projects (see definitions below)	X
Corporate Philanthropy		X
Individuals		X

Research compliance-governed projects are those in which some of the following may be proposed:

Research, scholarship, instruction, or any other activities specifically involving:

- Human subjects of research, including persons surveyed, treated, or examined, any child or person less than 18 years of age, any other person with a diminished decision-making capacity.
- Laboratory or field animals whether warm or cold-blooded, vertebrate or invertebrate.
- Any project in which there is an expectation of a deliverable or outcome by the sponsor in exchange for the funding, there are implied reporting requirements (excluding stewardship reports) associated with the activity, there is a statement of work that binds the University to specific activities, there is a percentage of faculty time assigned to the project (compensated or uncompensated) or there is an inclusion of Facilities and Administrative Costs.
- Any use of recombinant DNA molecules or other biohazardous material regardless of the security level.
- Any project designed to produce patentable discoveries and inventions or other intellectual property.

Definitions do not apply to funds received for student scholarships and fellowships, which may involve activities of the above-mentioned kinds conducted under the supervision of faculty, unless the activity is specifically required as a condition of acceptance of the scholarship or fellowship. See the preceding document for more detailed discussion of sponsored program, research compliance-governed activities.

Corporate Research and Training:

Does not include corporate grants in which an insignificant amount funds deliverable services (i.e., copies of scholarly papers, attendance at colloquia or seminars) or services primarily performed by students as part of a classroom assignment whose goal is instructional (i.e., student team performing a consultant-type study of a business problem).