



Sponsored Agreements and Gifts

Policy Type: Administrative

Responsible Office: Office of Sponsored Programs, Office of Research and Innovation

Initial Policy Approved: 10/22/2012

Current Revision Approved: 05/31/2017

Policy Statement and Purpose

This policy provides clarification regarding the difference between sponsored agreements and gifts. The distinction between gifts and sponsored projects can be subtle. The term “grant” is defined very differently by various funders and, therefore, can cause confusion. For that reason, VCU utilizes the term “sponsored project” in lieu of grant. Please note that the use of the term “grant” by a funding organization does not automatically mean that the award is a sponsored project; instead, the terms of the award should be used to determine its status.

A sponsored project is any externally supported research, clinical, or scholarly activity that has a defined scope of work and set of objectives that provide a basis for accountability and sponsor expectations. If any one of the following characteristics applies to a project, including commitments made in the proposal or required in the award agreement, it must be processed through VCU's Office of Sponsored Programs, which is housed in the Office of Research:

- 1) Sponsor is the federal, state, or local government OR an agency that has been established simply as a flow-through of federal, state, or local government funds for accounting purposes.
- 2) Sponsor has written policies addressing indirect cost recoveries. Note: the absence of a policy does not preclude the award from being a sponsored program.
- 3) Award contains provisions regarding ownership of intellectual properties (i.e., patents and copyrights).
- 4) Sponsor requires the delivery of specific goods or services by the university (e.g., technical assistance or training). Continuing education programs are specifically excluded from this policy.
- 5) Award payments are contingent upon programmatic achievements or fiscal reporting (e.g., milestones, invoices).

- 6) Award requires a detailed technical report (this is generally more than a simple status report that details a project's progress).
- 7) Award includes budget restrictions (e.g., prior approval for re-budgeting and restrictions on certain budget categories, equipment or fringe benefits).
- 8) Award includes a provision for audit.
- 9) Award restricts or monitors publications or use of results.
- 10) Award requires protection of sponsor proprietary and/or confidential information.
- 11) Proposal or award requires a signature from the Authorized Official binding the university to the terms and conditions of the proposed project.
- 12) Project involves the use of human subjects, vertebrate animals, radioisotopes on humans, radioactive materials, recombinant DNA, human body substances, etiologic agents or proprietary materials.
- 13) Project must be submitted for review by the university's Institutional Review Board (IRB).

Activities supported by a donor that are generally not considered sponsored projects and can be processed as gifts might include the following characteristics:

- 1) Award provides support for broadly defined activities, such as professorships, endowments, building projects, instructional programs or unrestricted research. The donor can restrict the use of funds to a specific program area or purpose.
- 2) Award contains only minimal requirements, generally relating to required donor pledge payments and the university's commitment to effectuate the donor's intent.
- 3) Award requires only minimal reporting to the donor in the form of a general statement or report of how funds were used and the outcomes of the project. The unit or faculty member involved can 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 gift.
- 4) Award is irrevocable.
- 5) Award may require a signature from an Authorized Official acknowledging acceptance of the award. Award notice to be signed by Authorized Official may include a general statement of the goals and aims of the project as they are understood by the donor but such statements are not to be construed as a contract between the university (and/or its supporting foundations) and the donor wherein any specific project deliverables, intellectual properties, goods, services, products or outcomes are to be delivered or provided to the donor.

All projects determined to be a sponsored project must be processed through the Office of Sponsored Programs. Activities supported by a donor that are generally not considered sponsored projects can be processed as gifts to the university.

Noncompliance with this policy may result in disciplinary action up to and including termination. VCU does not tolerate any form of retaliation against an employee who brings forth a good faith concern, asks a clarifying question, or participates in an investigation.

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Who Should Know This Policy _____

All individuals involved in sponsored programs are responsible for knowing this policy and familiarizing themselves with its contents and provisions.

Definitions _____

Authorized Official

The individual(s) formally authorized to bind the institution to grants, contracts and other agreements; the official signatory for the institution.

Sponsored Project

A grant, contract or other agreement awarded to accomplish a specific goal or project.

Gift

Awards given 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. The unique flexibility, or lack of restrictions, makes gifts attractive sources of support.

Contacts _____

The Office of Sponsored Programs officially interprets this policy. The Office of Sponsored Programs is responsible for obtaining approval for any revisions as required by the policy Creating and Maintaining Policies and Procedures through the appropriate governance structures. Please direct policy questions to the Office of Sponsored Programs.

Policy Specifics and Procedures _____

Questions regarding whether a proposal or an award is a gift or a sponsored project should be directed to your school's dean or to the VCU Office of Sponsored Programs or the VCU Office of Corporate and Foundation Relations. In some cases, projects that do not need to go through the Office of Sponsored Programs at the proposal stage become sponsored projects at the award stage because of conditions set forth in the award agreement.

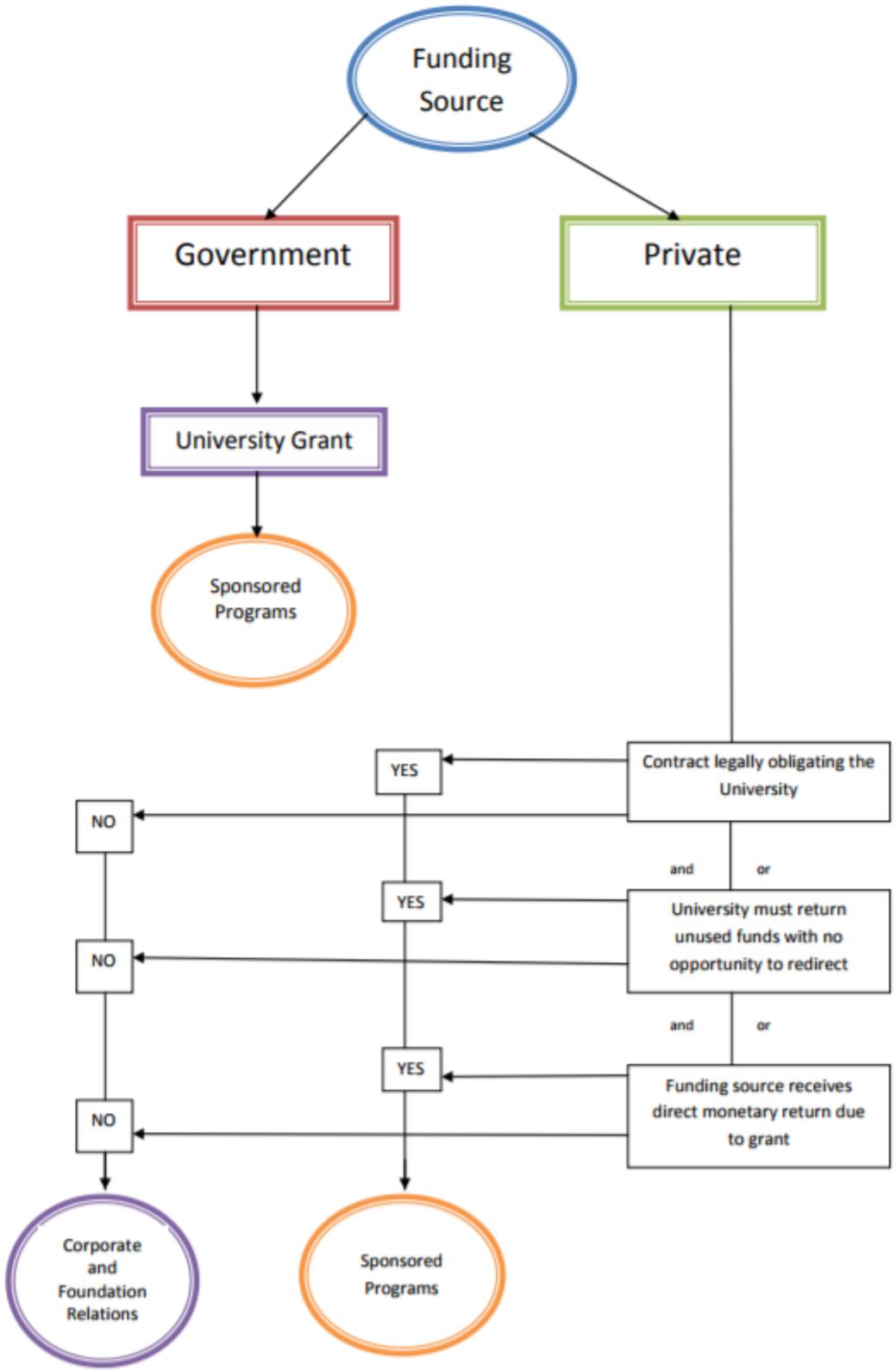
The Office of Sponsored Programs and Office of Corporate and Foundation Relations will work together to determine a project's classification when there is a question about how it should be processed.

Forms _____

There are no forms associated with this policy and procedure.

Related Documents _____

Below is a decision tree to assist in determining whether an award is a gift or a sponsored program.



Revision History

This policy supersedes the following archived policies:

10/24/2017 *Sponsored Agreements and Gifts* [minor revision to replace decision tree image in Related Documents section]

FAQ

- 1. As the individual responsible, can I agree to provide reports to the Donor/Sponsor under a separate agreement that is not executed by the university?**

No. All arrangements for either a gift or sponsored program must be evident in the documentation maintained in the university-level record.

- 2. Why is my fiscal administrator requiring that I process the grant I received through Sponsored Programs instead of as a gift?**

The terms and conditions of the grant determine the route for processing. If there are any requirements beyond fiscal stewardship reporting (how the money was spent) or progress (here's where we are with our project), then the grant is a sponsored project. Examples of these terms are: return of unexpended funds, intellectual property requirements, milestone reporting, invoicing for costs incurred, protection of confidential information, etc.

- 3. If I know of a potential donor/sponsor for research, should I have them contact the Office of Sponsored Programs or Corporate and Foundation Relations to determine if the funding will be considered a gift or sponsored project?**

The potential donor/sponsor can contact either office for this determination.