

**Guidelines on the Administration of Gifts, Sponsored Support, and Other Resources
Acquired Through External Relationships**

Purpose and Background

The University engages in diverse activities related to its mission by securing private support, sponsorship of projects by external entities, and other resource opportunities involving external relationships. Resources acquired through such relationships may be donative in nature or may constitute exchange transactions. This document provides broad guidance on the principles to be applied in categorizing and administering external resources effectively and consistently.

Guidance on the specific policies for the administration of grants and contracts or sponsored programs can be found in academic policy manual 501 (APM 501).

The Office of Research and Sponsored Programs has developed a form (Private Gift or Grant/Contract Determination) to assist in categorizing various types of external support.

Functional Areas Involved

At least three major functional areas of the University are typically involved with private support and external relationships: Advancement, Extended Education, and the Office of Research and Sponsored Programs. Each area has somewhat different interests or missions, approaches to securing support, and perspectives in administering external resources.

1. Gifts Through the Advancement Function

The Advancement Division is charged with seeking and securing private support for the University through gifts. A gift is a voluntary, irrevocable transfer of property (whether cash, securities, tangible property, real estate or intellectual property) by a donor to a nonprofit organization, for example, a university. The term “gift” is synonymous with “donation” or “charitable contribution.” The contributed property must be delivered to and accepted by the recipient. The transfer must not have been made for “consideration”; that is, nothing of beneficial value returns to the donor, other than the joy of giving and any tax advantage gained. A gift does not involve contractual requirements, written or oral. Most gifts are designated for a particular purpose or area of the recipient organization, and if accepted, these designations become restrictions on how the gift may be used. A gift generally results from a solicitation or proposal in which the charitable organization describes how the gift funds would be applied.

- a. Gifts from organizations - Major gifts from foundations or corporations usually involve written proposals, and corporate and private foundation gifts are commonly called “grants.” This terminology may cause confusion in that the term “grant proposal” is also used in other functional areas (e.g., sponsored programs). However, gift grants and sponsored program grants have important distinguishing features, as detailed elsewhere in this document.
- b. Planned gifts - Planned or deferred gifts nearly always require a written agreement that creates terms and conditions for both the donor and the recipient institution. The contractual aspects of such a gift should not be confused with the contractual nature of other external relationships involving support for, or resources acquired by, the University.

Philanthropic funding, as described above, will be solicited, accepted, and overseen by University Advancement, and in the case of gifts from organizations, coordinated by the Director of Corporate and

*Administration of Gifts, Sponsored Support, and Other Resources
Acquired Through External Relationships*

California State University, Fresno

Reaffirmed April 24, 2015

Policy No. F-02

Foundation Relations. Fresno State Foundation gift accounts are established when funds received from outside sources are designated for flexible though targeted use (or unrestricted use) and are free of the constraints or obligations of sponsored projects. Gifts will usually not require extensive financial or technical reporting by the University or Foundation.

However, University personnel are obligated to assure responsible stewardship by appropriate use of the funds and communication with donors.

2. Extended Education Funding

Extended education programs (both credit and non-credit), workshops, seminars, short courses and conferencing activities are broad functional areas administered by the University's Office of Continuing and Global Education. These activities are self-supporting, and funding is usually achieved through a user, licensing or registration fee, but may also be provided through a contract with a sponsoring agency. Written agreements or like instruments confirm the relationship with either the student or the client-entity.

3. Sponsored Project Support

Non-philanthropic grants, contracts, cooperative agreements and payment-for-service arrangements represent another significant source of external support for University programs. Such resources may fund research and other projects that represent exchange transactions or that have highly restrictive conditions requiring oversight by the Office of Research and Sponsored Programs. Administration of such funds is handled jointly by Office of Research and Sponsored Programs (pre-award activities) and the Foundation's Financial Services department (post-award activities). Such activities, which are initiated by faculty or other University personnel, normally require a formal proposal that is reviewed and approved by the University prior to submission to the sponsor and that follows the policies outlined in APM 501. Typically the sponsor will have a written agreement between the Foundation and the sponsor. Sponsors may be governmental agencies (federal, state, local), private foundations and other nonprofits, or commercial entities. Grants from federal, state and local governmental agencies or entities cannot be considered donative in nature and thus are always administered by the Office of Research and Sponsored Programs.

Grants, contracts and cooperative agreements are sometimes administered by the University without Foundation involvement, for example when a sponsor makes such an arrangement a condition of the award. Projects of this type should still originate in the Office of Research and Sponsored Programs, which will channel the proposal to the appropriate University office for processing.

- a. Hybrid projects - On occasion, a sponsor/donor may wish to enter into an agreement with the University that contains elements of more than one type of funding. For example, a corporation may choose to support a research activity by providing an endowed professorship, as well as a research contract. In such cases, the different types of funding should be distinguished and administered separately by the appropriate functional areas. In the example given, the endowed professorship would be administered as a gift by University Advancement, and the research contract would be administered as a sponsored project by the Office of Research and Sponsored Programs.

*Administration of Gifts, Sponsored Support, and Other Resources
Acquired Through External Relationships*

California State University, Fresno

Reaffirmed April 24, 2015

Policy No. F-02

- b. Funding for contract and procurement services - Aside from the administrative units described above, only the University's Office of Procurement and Support Services may enter into official agreements with and receive resources (cash or in-kind) from external entities. **Departments and individual University faculty and staff are not authorized to do so.**

Principles and Characteristics of Externally Acquired Resources

The following principles and characteristics should be used to distinguish among the types of University support, project sponsorships and other acquired resources stemming from external relationships, so that the resources can be channeled to and administered by the appropriate organizational unit.

1. User, Licensing or Registration Fees

User, licensing or registration fees are those charged to a person or organization in exchange for participation in a specialized educational activity offered by California State University, Fresno. Similarly, fees are charged for the use of University facilities and services for such educational activities, including courses, workshops and conferences sponsored by non-university agents.

Funding of this type is typically handled by the University's Conference Services department or Continuing and Global Education.

2. Grants

Grants are generally characterized by a formal written agreement between a public agency, commercial entity or private foundation (grantor) and a recipient organization (grantee) establishing a relationship that transfers to the grantee funds, property or services to accomplish a public purpose, without substantial involvement of the grantor during performance of the contemplated grant activity but with the expectation of results or benefits of some kind for the sponsor. A grant involves an obligation between the parties, in contrast to a gift, which does not. Grant, contract and sponsored programs are administered under APM 501.

A grant is preceded by a formal proposal to the grantor. A negotiation process follows, and the grant award is usually made when a written instrument has been executed. For smaller amounts, the agreement may simply be an award letter from the grantor to the grantee referencing the proposal, any negotiated features at variance with the proposal, and the award amount and disbursement terms. For larger amounts, the proposal will include a detailed work plan, and the sponsor will have the expectation that the work will be completed as outlined. The sponsor will usually require reports of results, in varying detail, and restrictions will often be placed on categories and amounts of expenditures.

3. Contract/Cooperative Agreement

A contract or cooperative agreement defines a relationship between a public agency, corporation or individual (sponsor) and a recipient organization (contracting entity) and provides detailed performance and reporting requirements. If the principal purpose of the relationship is the transfer of funds, property or services from the sponsor to the recipient to accomplish a public purpose, and substantial involvement of the sponsor is contemplated under the terms of the instrument, the sponsored agreement is termed a cooperative agreement.

*Administration of Gifts, Sponsored Support, and Other Resources
Acquired Through External Relationships*

California State University, Fresno

Reaffirmed April 24, 2015

Policy No. F-02

Resources acquired through contracts and cooperative agreements are sought, accepted, administered and overseen principally by the Office of Research and Sponsored Programs, and occasionally through the University's Contract and Procurement Services Office.

4. Payment-for-Service Arrangement

Payment-for-service arrangements (a variation of a contract or cooperative agreement) provide a mechanism to facilitate special contractual relationships between the University/Foundation and external individuals or entities. They are used when standardized services (testing, analysis, etc.) are provided to multiple sponsors ("clients"). A memorandum of understanding is developed between the service provider (faculty) and the University, by means of which the University approves the services to be provided and addresses other aspects of the contractual relationship. The memorandum of understanding is developed with the assistance of the Office of Research and Sponsored Programs, similar to the development of a more traditional grant/contract proposal, and is approved by appropriate University management. It is reviewed annually. Modifications in the services offered must receive prior approval. Once approved, the MOU allows the director of the activity (faculty) to interact directly with the clients in a simplified and efficient manner.

Criteria for Distinguishing Grants and Sponsored Projects from Gifts

1. Non-philanthropic Grants, Contracts and Cooperative Agreements

Non-philanthropic grants, contracts and cooperative agreements are established when funds are awarded to the University or the Foundation by external sources in support of research, instructionally related activities, training or service, under an agreement that normally includes one or more of the following:

- The award instrument is an agreement that binds the University or the Foundation to a set of terms and conditions and requires endorsement.
- The agreement obligates the investigator to a line of scholarly or scientific inquiry that typically follows a plan specified by the funder, provides for pre-defined testing or evaluation, or seeks to meet stated performance goals.
- The agreement includes a line item budget that identifies expenses by activity, function or project period.
- The agreement requires fiscal accountability as evidenced by the submission of financial reports to the sponsor, an audit provision, or the return of unexpended funds at the conclusion of the project.
- The agreement creates an obligation to report project results or dispose of tangible or intangible properties resulting from the project. Examples of tangible properties include equipment, records, technical reports, theses or dissertations. Intangible properties include rights in data, copyrights or inventions (intellectual property).
- The agreement seeks considerations such as indemnification or imposes other terms that require legal accountability.

According to CSU and Fresno State policy, sponsored projects, whether administered by the University or the Foundation, must recover full indirect costs, whether identified in the award or not, unless the funding agency has a written policy that precludes such recovery and the University has accepted the award with this restriction, or unless all or part of the indirect costs are approved for waiver by the appropriate University officials (APM 501). The applied indirect cost rate will be consistent with University policy. The University's indirect cost rate is negotiated periodically with the federal government based on

*Administration of Gifts, Sponsored Support, and Other Resources
Acquired Through External Relationships*

California State University, Fresno

Reaffirmed April 24, 2015

Policy No. F-02

documented costs, and is uniformly applied to all sponsors except as described above. The university's policies for administration of sponsored programs are outlined in APM 501.

2. Philanthropic Grants and Other Gifts

“Gift grants” have the following characteristics:

- The award supports an unrestricted purpose or activities such as endowments (e.g., endowed chairs, professorships), capital projects (e.g., construction or renovation, equipment), unrestricted programmatic support, or general student support (e.g., scholarships).
- The award requires only minimal reporting to the donor, which might typically take the form of a description of how funds were used to support the research or program.
- The award involves no quid pro quo or exchange transaction.
- The award of equipment or any other form of property has no restrictions attached to its use.

Philanthropic grants from foundations or corporations are sought, accepted and stewarded by University Advancement through the Office of Corporate and Foundation Relations. Proposals are approved in advance via the Gift Proposal Approval Form. The Director of Corporate and Foundation Relations will regularly issue a summary report about strategies being planned with major funders, proposals pending and awards received (similar to the SAR report provided by the Office of Research and Sponsored Programs).

Inter-function Coordination and Resolution

In order to coordinate grant-seeking from foundations and corporations, each academic unit will form a strategy team consisting of the dean and/or associate dean, the development director, and a representative from the Office of Research and Sponsored Programs. The team is charged with developing a solicitation strategy for philanthropic and non-philanthropic grants. Applications for grants with donative intent should be consistent with the goals of the comprehensive campaign or other priorities of the academic unit, and any solicitations should be coordinated through the BSR Advance prospect management system. The Office of Corporate and Foundation Relations will monitor proposals to ensure that grant makers in foundations and corporations do not receive multiple uncoordinated proposals from various units on the campus.

While these guidelines help distinguish among different types of external resources, and help direct particular external relationships to the appropriate administrative unit, uncertainty may still arise in classifying an activity. In the rare cases when a difference of interpretation arises, if the academic unit's strategy team cannot identify the appropriate administrative process for the activity, the Provost and Vice President for Academic Affairs shall consult with appropriate offices and determine the proper administration of the award.

Contact Information

If you have any questions related to these guidelines, please contact the Associate Vice President for Research and Sponsored Programs at 559.278.0840.

Approved: January 14, 2005

Reaffirmed: April 24, 2015