

University of Houston Guidelines for Gifts, Grants and Contracts

Vice Chancellor/Vice President for Research, Vice Chancellor/Vice President University Advancement, Office of Contracts and Grants, Office of Corporate and Foundation Relations, Office of Advancement Operations

These guidelines were developed at the direction of, and have been approved by the Vice Chancellor/Vice President for Research, the Vice Chancellor/Vice President for University Advancement, the Office of Contracts and Grants (OCG), the Office of Corporate and Foundation Relations (CFR), and the Office of Advancement Operations. They clarify the nature of any project receiving external support (including research, scholarly work, training, workshops, and services) that has defined performance requirements (hereinafter referred to as Sponsored Projects). The intent is to ensure proper handling of the funds and the documentation for purposes of regulatory compliance, stewardship, cost recovery, project capitalization, institutional reporting, and responsibility to the funder.

Funding derived from sources outside the University is an essential component of the University's financial health and its ability to undertake and sustain vital research, scholarship and education. The funds received are typically the consequence of a proposal extended to and accepted by the external entity. The classification of external funding as a gift or sponsored award serves as an important step in ensuring that the appropriate accounting and compliance treatment is used. In many cases, the determination of whether funding received is a gift or constitutes a sponsored award is relatively straightforward, while in other cases, the determinations may be more difficult. In some cases, external funding may have many separate components, some of which qualify as gift funds, and other components that would qualify as sponsored awards. Because external sources often use the terms "grant" or "gift" in a manner inconsistent with our objectives, **the language used by the donor or sponsor should not in and of itself determine the classification of the funds.**

For purposes of these guidelines, a gift is a contribution received by an institution for either unrestricted or restricted use in the furtherance of the institution for which the institution has made no commitment of resources or services other than, possibly, committing to use the gift as the donor specifies. The contribution is a nonreciprocal transfer in that there is no implicit or explicit statement of exchange, purchase of services, or provision of exclusive information. If the donor receives benefits in return for the contribution, the true value of the gift is the amount over and above the fair market value of any benefits received. Whether or not an institution has an obligation to report to the donor how a gift is used or invested, such reporting is an important element of good donor stewardship. (Source: CASE Reporting Standards & Management Guidelines)

Gifts received into the University of Houston directly or through its affiliated foundations are considered public funds and must remain with the University until expended. Under no circumstances are gifts transportable by an individual, program or other unit to another university, agency or entity.

The University defines a sponsored project as those activities, sponsored in whole or in part by sources external to the University, for which there is a contractual obligation on the part of the sponsor for performance, a deliverable (e.g., technical report, technical assistance, training, etc.) or outcome. Terms and conditions may include indemnity, export control, intellectual property (e.g., patent rights requested by grantor), data use and ownership, prior approval requirements. An award may require protection of sponsor confidential information and may restrict or monitor publications or use of results. (Source: Code of Federal Regulations [Uniform Guidance], 2 CFR 200.328)

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. A careful review of the documents that accompanied the external funding is needed in order to understand the donor's intended use of the funds.

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 Houston. The existence of one factor alone may not be determinative of whether projects should be managed through OCG or CFR. Multiple factors should be considered in order to decide whether a sponsored project exists and therefore would be processed through OCG according to procedures set forth by that office.

Sponsored Projects

All sponsored projects - proposals, contracts, or grants, regardless of funding source – must be processed through the Office of Contracts and Grants in order to assure compliance with University of Houston policies and sponsor requirements. Activities generally considered to be sponsored projects may include any or all of the following characteristics:

- Award made by federal or state agency.
- Award contains intellectual property rights provisions and/or technology transfer.
- Sponsor receives some benefit (e.g., pre-publication review, hardware, software, data).
- Sponsor requires specific deliverables (e.g., final technical or narrative report, evaluation, technical assistance, training). This does not include minimal requirements generally related to required donor pledge payments and the University's commitment to abide by the donor's intent (i.e., stewardship).
- Award payments are contingent upon programmatic or fiscal reporting (e.g., specific milestones, invoices). This does not include minimal requirements as stated above.
- Award restricts or monitors publications or use of results.
- Award requires protection of sponsor and confidential information.

- Award contains an itemized budget, which requires sponsor approval to modify and/or that is subject to the provisions of federal cost accounting standards. This does not include requirement for notification of any revisions or changes to the original proposal.
- Award allows for or includes indirect costs. This element does not disqualify an award from a non-profit to be included in CFR reporting; however, awards with IDC must be maintained in a sponsored project account to enable indirect costs to be captured and allocated to the credited unit(s).
- 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, or any project that is subject to IRB or IACUC approval.
- Project includes required Conflict of Interest (COI) institutional reporting requirements, as outlined in the UH Policy on Conflict of Interest in Research.
- Project involves foreign collaborators or is subject to Export Control policies.

Gifts, Research Gifts and Unrestricted Private Grants

Gifts, research gifts and unrestricted private grants must be processed by the Gift Processing and Records Department in the Office of Advancement Operations in order to comply with Gift Acceptance and Disposition Policy at the University of Houston. Activities supported by a donor that are generally not considered sponsored projects may include the following characteristics:

- Gift supports an unrestricted purpose or such activities as endowments (e.g., endowed chairs, professorships), capital projects (e.g., construction or renovation, equipment), student support, general project/program support, or general research support.
- Gift contains only minimal requirements, generally relating to required donor pledge payments and the University's commitment to effectuate the donor's intent (i.e., stewardship).
- Gift may require reporting to the donor. Such confirmation may not be a technical or a formal financial report of significant detail. However, if publications result, copies may be shared. In addition, confirmation of proper utilization of funds would be allowed such as in a "stewardship report" or "annual endowment report." For example, if a company provided funds to help students build a solar-powered vehicle for a national student competition, the PI could report back how the students did in the competition, but not be required to provide detailed technical information including raw data.
- Gifts are generally irrevocable. However, if a gift made for a restricted purpose has not been spent according to the purpose requested, a donor may have grounds to rescind and recoup the gifted funds.

- Unrestricted grants are awards not identified by the sponsors as specifically being a gift or charitable contribution; however, these awards have no strings attached - no statement of work, no deliverables such as technical reports, no IP terms, etc.
- Research gifts may specify a purpose, but do not require specific deliverables and do not exhibit other aforementioned characteristics of a sponsored project. For proper stewardship of these awards, a separate restricted cost center should be established to deposit and manage these funds.
- Texas Research Incentive Program (TRIP) was established by the Texas Legislature in 2009 for the purpose of providing matching funds to assist eligible public institutions to leverage **private gifts** for the enhancement of research productivity and faculty recruitment.
- In accordance with SAM policy 08.A.01, development and alumni relations activities involving System administration, the System's universities, prospective donors, established donors and various donor groups are led by the Division of University Advancement through the Vice Chancellor for University Advancement and System advancement leadership.

Review

The Senior Director, Corporate and Foundation Relations will be responsible for ensuring these guidelines are reviewed annually on or before March 1.

Additional Information

The following offices 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 the responsible offices:

<p>Office of Gift Impact and Compliance</p> <p>Beth Ladd Executive Director</p> <p>713-743-6140 ecschaefer@uh.edu</p>	<p>Office of Corporate & Foundation Relations</p> <p>Marianne Dwyer Senior Director, Corporate & Foundation Relations</p> <p>713-743-4137 mdwyer@uh.edu</p> <p>Elizabeth Kennedy Director, Foundation Relations</p> <p>713-743-6868 ekennedy2@uh.edu</p>	<p>Office of Contracts & Grants</p> <p>Ben Mull Director, Pre-Award & Major Proposal Development</p> <p>713-743-3711 bbmull@uh.edu</p>
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See Appendix 1: Determination Procedures (page 5).

Appendix 1

Determination Procedures

Purpose & Overview

When an award is received from a corporation, private foundation or non-profit sponsor, it is sometimes difficult to determine whether the award is a gift or a sponsored project. If the intent of the sponsor or donor does not correspond with the indicators for classification as a gift or a sponsored project presented in the University of Houston Guidelines for Gifts, Grants and Contracts, then an attempt will be made to resolve mutually by and between the Division of University Advancement and the Division of Research.

The purpose of this procedure is to provide guidance on how the University will determine whether an award is a gift or sponsored project.

Procedure

The Office of Contracts and Grant (OCG) and the Office of Corporate and Foundation Relations (CFR) are charged with oversight of guidelines and of the appropriate classification of gifts and sponsored projects. The Director for Pre-Award and Major Proposal Development will represent OCG and the Senior Director for Corporate and Foundation Relations will represent CFR in this process.

OCG and CFR representatives will convene at the start of each fiscal year to review the planned submissions to corporations and private foundations, and then quarterly to review unplanned proposals/applications, current funding opportunities/RFPs, recent submissions and gift agreements resulting from proposals not previously reviewed to ensure proper management. If the distinction of classification is unclear, representatives will consult and assist in determination. Both offices will aim to limit the number of unplanned submissions to the extent possible.

- The team will consult the established Guidelines and discuss any areas of question.
- Joint determination will be made whether the funding should be processed as a gift through Division of University Advancement or as a sponsored project through Division of Research.
- When determination concludes that the submission or agreement will move offices for processing, the originating office will notify faculty/staff leading the submission.

When issues arise between meetings that require an immediate decision, the following process will be observed.

- When OCG or CFR are approached by a faculty or staff member interested in pursuing funding from a corporation or private foundation, and it is not in response to an RFP or other open call for proposals previously reviewed and the determination is unclear, the office where the award presents will:

- Immediately alert the other office of the particulars, including the name of the potential funder, the faculty member, the basic scope of work, the anticipated request amount, and the name of appropriate contact(s) at the organization.
 - Begin working with the faculty member to draft a proposal and budget in order to move opportunity forward.
 - Schedule meeting with the other office to consult on the determination.
- When OCG or CFR received a gift/grant agreement resulting from a proposal not previously reviewed and the determination is unclear, the office where the agreement presents will:
 - Immediately alert the other office of the particulars, including the name of the funder, the faculty member, the basic scope of work, the amount awarded, and the name of appropriate contact(s) at the organization.
 - Schedule meeting with the other office to consult on the determination.

Award should be administered through the existing University infrastructure, regardless of whether received by the University or received through an affiliated foundation.

In resolving issues related to the classification of an award, UH personnel must maintain an appropriate balance between the interests and preferences of the funder and the University's administrative policies as well as federal regulations.

In addition to the guidance of the OCG and the CFR, it may be necessary to contact the donor/sponsor for clarification of intent and requirements and/or to discuss the planned use of the funds. Such contacts should be led by the entity Relationship Manager and made in a coordinated approach with communication between the appropriate parties, (Department, Advancement, Sponsored Programs, Dean, etc.) and handled with care so as not to coerce the donor/sponsor into indicating preference for one classification or the other and to remove potential conflicts of interest.

In extenuating circumstances where representatives cannot reach a mutual decision, they shall refer the matter for final determination to the Vice President for both offices with a summary of the reasons underlying the differing assessments. The Vice Presidents may, at their discretion, convene a committee to review the issue and provide a recommended designation.

Gifts

If the proposal or award is determined to be a gift, CFR will notify the entity Relationship Manager, Lead Solicitor, College/Unit Development Officer and faculty/staff as appropriate.

- The Relationship Manager/Lead Solicitor will work with faculty/staff to submit the proposal.
- The Relationship Manager/Lead Solicitor will follow the established procedures for agreement and gift processing.

- Agreement, proposal and other accompanying documentation should be submitted to CFR for digital filing.
- CFR will save documentation of classification determination in donor file.

Grants

If the proposal or award is determined to be a sponsored project, OCG will notify the Principal Investigator (PI) and Pre-Award RA responsible for the submission.

- The team will follow [procedures established by OCG](#) for submission.
- All formal proposals to an external agency for sponsored project funding must be routed for approval via an internal transmittal form before submission to the agency or sponsor.
- OCG will process and maintain all sponsored project agreements and contracts following established procedures.