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Determination of Sponsored Projects and Gifts

Oregon State University and the Oregon State University Foundation share the mutual goal of achieving the highest level of external support for the institution. In working toward that goal, external support is sought from many sources. These guidelines below have been developed as standards to be used to determine the proper classification of such external support. External support is anything of economic value provided by a third party (a “sponsor” in the case of sponsored projects or a “donor” in the case of gifts) for use in a project conducted by OSU. Correct classification of external support and use of appropriate procedures will ensure OSU’s ability to build long-term, mutually beneficial relationships, comply with requirements specified by the sponsor/donor, and assure compliance with applicable university, state, and Federal regulations and policies. These guidelines are to be used to determine the classification of external support by OSU colleges, schools, departments, and other administrative units.

I. General Guideline

All sponsored projects shall be processed through the Office of Sponsored Programs. Gifts can be processed through the OSU Foundation, the Agricultural Research Foundation¹ or OSU.

II. Sponsored Projects

For purposes of these guidelines, a “sponsored project” is any project receiving external support (including research, scholarly work, training, workshops, and services) that has defined performance requirements.

The following criteria shall be used for classifying sponsored projects:

A. Any project receiving either direct or indirect (“pass-through”) external support from any Federal, state, local, foreign, or other governmental entity shall be considered a sponsored project at the time the project is proposed.

B. A project receiving external support from a non-governmental entity shall be considered a sponsored project if the project is subject to any of the following conditions at the time the project is proposed or an award is made:

   1. The specific project involves any of the following: human subjects, vertebrate animals, radioactive materials, recombinant DNA, infectious agents, or third-party proprietary materials.

¹ The Agricultural Research Foundation was created to support activities related to agriculture.
2. The external support is subject to any of the following conditions:

   a. Delivery of specific goods, services, or other deliverables by the University that provides direct benefit to the sponsor. Examples of deliverables are technical reports and/or data;
   b. Performance milestones or programmatic tasks with specified timelines and performance expectations;
   c. Transfer of intellectual property, ownership, or related rights;
   d. Insurance, indemnification, or warranty;
   e. Restrictions on publication of research results, including prior review;
   f. Audit requirements to ensure compliance with terms and conditions of the award;
   g. Subcontracting part of the programmatic effort to an outside entity;
   h. Sponsor requires the return of unused funds;
   i. Award is made on a cost-reimbursement or milestone payments.

3. The provider of the external support may withhold or seek a refund of the support if the project fails to meet performance requirements or project objectives.

III. Gifts

For purposes of these guidelines, a gift is the voluntary provision of external support by a donor to the University, without any requirement for receipt of any economic or other tangible benefit in return.

Gifts shall normally meet the following criteria:

A. The external support does not meet the criteria for a sponsored project as described in Section II of this memorandum;

B. The external support is irrevocable, providing the gift is used in accordance with any valid restrictions accepted by the University;

C. The donor does not expect to receive any direct benefit as a result of the gift. Indirect benefits such as tax advantages or business or personal goodwill derived from close association with the University and the miscellaneous benefits derived from the donor status do not negate gift intent.

D. Donor reserves the right to audit gift accounts to ensure intent of gift is met.

Contributions to endowments are not treated as a sponsored project.

While the OSU Foundation is the preferred recipient on gifts of equipment, export controlled equipment gifts should not be accepted by the OSU Foundation.
If an award can only be given to a 501(c)(3) organization, but still meets the characteristics of a sponsored project, the OSU Foundation will write a subagreement to OSU. The Foundation will confer with the Office of Sponsored Programs regarding commitments (e.g., cost sharing) before accepting an award. In cases where the OSU Foundation is the recipient, they will be responsible for reporting back to the sponsoring agency.

OSU and the OSU Foundation are committed to coordinating relationships with sponsors/donors that support Oregon State University as a whole. The process for achieving this is described in the procedural document entitled “Donor/Sponsor Relationship Coordination Process”.

The standards described in these guidelines are applicable to all external support provided to the University. If a department/center/institute cannot determine if an award is a gift or a sponsored project, the Office of Sponsored Programs or the Office of Post Award Administration should be consulted, and the Director of Sponsored Programs will provide written documentation of the decision to all parties. In cases where it is more difficult to make a determination, the Office of Sponsored Programs, the Office of Post Award Administration and the OSU Foundation will review the information jointly and make a decision. The Director of Sponsored Programs will provide written documentation of the resolution to all parties. In cases that are particularly difficult to resolve, the Vice President for Research, Vice President for Finance and Administration and the President of the OSU Foundation will review the information jointly and make a decision. The Director of Sponsored Programs will provide written documentation of the agreed-upon resolution to all parties.