

# Guidelines for Defining, Requesting, and Receiving Gifts and Sponsored Project Funding

## The University of Iowa and The University of Iowa Foundation

July 1, 2016

The University of Iowa (University or UI) and the University of Iowa Foundation (UI Foundation) work to create, extend, and steward relationships with organizations and individuals while optimizing support for the University. Support comes in various forms, normally through contracts, gifts, grants, and crowdfunding efforts.<sup>1</sup>

### Purpose

These guidelines define the various types of **external** support and outline the appropriate administrative procedures for proposal submission, gift/grant acceptance/processing, and stewardship for each type of support. For the purposes of these guidelines, **external support** is defined as anything of economic value provided by a third party for use by or at the University.

### I. General Definitions and Guidelines for Processing External Support Funds

- A. **Gift:** A contribution received for either restricted or unrestricted use in furthering the University's research and educational mission and/or operations, for which neither the University nor the UI Foundation has made a commitment of resources or services other than committing to use the gift as the donor specified. Gifts shall be processed through the UI Foundation, unless the donor has specifically indicated the University as recipient.

#### 1. UI Foundation Gifts

The UI Foundation seeks and receives *gifts*, and is acknowledged as the University's preferred channel for private contributions that benefit all areas of the University. Gifts commonly meet the following criteria:

- a. The external support is irrevocable, provided the gift is used in accordance with any valid restrictions accepted by the University of Iowa Foundation.
- b. No goods, services, or deliverables are offered or exchanged in consideration of receipt of the external support.

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<sup>1</sup> The UI Foundation and the Office of the Vice President for Research and Economic Development at the University have entered into a Memorandum of Understanding outlining fundraising efforts pursued through crowdfunding initiatives.

- c. The gift stewardship may involve voluntary or mandatory reporting to the donor regarding the use of the funding, taking the form of acknowledgement letters, annual reports, and financial statements on the status of funds, but does not require final financial statements reflecting the use of the funding.

**B. Sponsored Project/Activity:** An award or funds from a contract, grant, or cooperative agreement for either restricted or unrestricted use in furthering the University's research and educational mission and/or operations. Sponsored projects/activities typically carry an institutional commitment of resources and/or services. The UI Division of Sponsored Programs (DSP) handles funds supporting any program meeting the definition of a Sponsored Project/Activity, requiring compliance oversight, final financial accounting, scientific reporting, and/or other institutional responsibilities as described in Section 1 below.

1. UIDSP: All Contracts and Any Grants Supporting Sponsored Projects/Activities

The University seeks and receives sponsored projects/activities support from a range of public and private sources in the form of contracts and grants. An activity supported by a contract is always considered a sponsored project. An activity supported by a grant may or may not be considered a sponsored project. This determination will be based on the following criteria for defining sponsored projects/activities, distinguishing, for the purposes of this policy, support from governmental sources and support from corporations, foundations, and other nonprofits:

- a. *Governmental External Support.* A project or activity receiving either direct or indirect external support from any governmental entity shall be considered a sponsored project/activity at the time the support is committed or paid.
- b. *Non-Governmental External Support.* A project or activity 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 support is committed or paid:
  - i. The external funding will support a project or activity involving one or more of the following:
    1. Human subjects or vertebrate animals
    2. Radioactive materials
    3. Recombinant DNA
    4. Human body substances
    5. Infectious/select agents or toxins
    6. Third-party proprietary materials
    7. Export controlled items or information

- ii. The external support is proposed to be or subject to any of the following conditions:
  - 1. The University's delivery of specific goods, services, or other deliverables
  - 2. Performance milestones of research results
  - 3. Transfer of intellectual property, ownership, or related rights
  - 4. Insurance, indemnification, or warranty
  - 5. Restrictions on publication of research results
  - 6. Audit requirements
  - 7. Final accounting or expenditure restrictions outside of submitting an initial budget
- iii. 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, including certain research outcomes.
- iv. The external support is provided for research-related patient care services or the routine cost of care delivered as part of research studies.
- v. The external support is provided for developing, co-developing, testing, or assessing of the sponsor's products or services.

All sponsored projects/activities shall be administered in accordance with the University Operations Manual.

## **II. Standard Procedures: Grant Application and Award**

### **A. Grant Application Submissions**

1. Submission by DSP. Grant proposals for sponsored projects/activities, except when the funding organization/sponsor mandates UI Foundation submittal, will be submitted by DSP staff. See DSP web site for procedural guidelines: <http://dsp.research.uiowa.edu/>. The University requests reimbursement of facilities and administrative (F&A) costs at the rate allowed by the funding organization and as further defined by University policy.
2. Submission by UI Foundation. Grant proposals for UI non-sponsored projects/activities shall be submitted routinely through the UI Foundation when the funding organization is a non-governmental entity and the applications seek gift support as defined in section I.A. and not precluded by parameters established for a sponsored project as defined in section I.B. When the grant is processed as a gift, the UI Foundation tiered gift fee is assessed if allowed by the funding organization.
  - a. Exceptions for UI Sponsored Projects/Activities:  
Grant applications for sponsored projects/activities shall be submitted through the UI Foundation when the grantor requires 501(c)(3) non-profit submission or receipting using

the UI Foundation's federal tax identification number and the UI Foundation agrees to perform such submission consistent with its policies and procedures.

Proposals for sponsored projects/activities to funding organizations that have designated the UI Foundation to officially submit and/or accept the funds will be directed to the UI Foundation by DSP, for submission to the funding organization after required University approvals have been obtained and UI Foundation review is completed.

When the grant is determined to be a sponsored project, University Facilities and Administrative (F&A) costs will be assessed up to the funding organization's allowable rate and as further defined by University policy. All F&A reimbursements will be retained by the University; no F&A, gift fees, or other overhead costs will be assessed by the UI Foundation on sponsored projects grant proposals or awards.

#### B. Grant Acceptance and Administration

1. External Funds Accepted by the UI DSP – When funds are to support a sponsored project/activity and will be accepted by the University, DSP will review all applicable agreements with the sponsor/grantor and all grant administration, and accounting will be managed through DSP and the UI Grant Accounting Office.
2. External Funds Accepted by the UI Foundation – As noted in the University Operations Manual, Part V, section 5.6(b): “The University of Iowa Foundation, the preferred channel for private gifts to The University of Iowa, may accept grants and grant agreements on behalf of The University of Iowa.”

In accordance with the University Operations Manual, Part V, section 5.6(b): “Prior to their acceptance by the Foundation, all such awards [grants for sponsored research] including copies of letters of transmittal or agreement shall be reviewed by the Division of Sponsored Programs to determine their acceptability by the University.”

Once approved, sponsored project award funding should be transferred to the University upon receipt. Such funds are not to be invested or expended directly from Foundation accounts.

Additionally, after a grant or grant agreement for sponsored research/projects has been accepted by the UI Foundation, the University is solely responsible and liable for compliance oversight, final financial accounting, scientific reporting, and/or other institutional responsibilities required by the sponsor/grantor as detailed in the University Operations Manual, Part V, section 5.6(b): “The University, and not the Foundation, will be responsible for accounting for and reporting on the expenditure of these funds, providing technical and

other required reports to the sponsor, and adhering to all other terms and conditions of the award.”

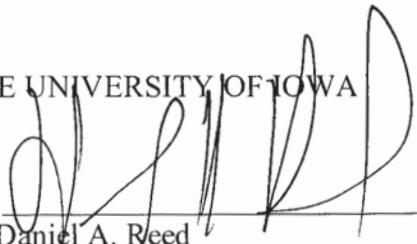
When the grant is determined to be a gift, it will be accepted by the UI Foundation, and the appropriate UI Foundation staff within the Corporate and Foundation Relations, Legal, and Finance areas will review all applicable agreements with the donor/grantor.

C. Determination of Grant Status: Sponsored Project/Activity or Gift

Whether the application and award should be channeled through the University DSP or the UI Foundation will depend on the details identified above. When the determination is unclear, the final decision will be made by the UI Vice President for Research and Economic Development and the UI Foundation President and CEO.

THE UNIVERSITY OF IOWA

By


  
Daniel A. Reed  
Vice President for Research and  
Economic Development

Date

7/13/16

THE UNIVERSITY OF IOWA FOUNDATION

By

  
Lynette Marshall  
President and CEO

Date

July 5, 2016