



Guide to External Funding Agreements

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Guide to External Funding Agreements

Types of External Funding

Gifts

Any item of value given to the University by a donor who expects nothing of significant value in return, other than recognition and disposition of the gift in accordance with the donor's wishes (donor may be an individual, group, business or non-governmental agency).

Characteristics:

- No contractual requirements imposed beyond restrictions for use of funds for a particular purpose.
- The donor expects nothing of value in return other than recognition and adherence to any restrictions, such as expenditures of dollars on a particular program area or for a particular activity.
- There should be no *quid pro quo* to the donor, e.g. no rights to tangible or intellectual property.
- The award is typically irrevocable, whether or not the donor has an expectation related to the timing of expenditures.
- There is no formal required fiscal accountability (e.g. audit) beyond periodic progress reports and report of expenditures. While no formal requirement exists, such reporting is still important. These reports are a requirement of good stewardship, rather than a contractual obligation.
- There are no Federal research compliance obligations associated (IRB, IACUC, or IBC) or formal cost sharing agreements. If there are these obligations it is a Sponsored Project.

Administration – Advancement

All gifts should be received and acknowledged through Advancement in order to assure the highest quality of donor stewardship, and the greatest likelihood of future gifts. Gifts are subject to 5% Capital Investment Fund policy.

Sponsored Program (see Sponsored Program Addendum)

Externally-funded activities in which a formal written agreement, (grant, contract, or cooperative agreement) from a sponsor to conduct a specified research, training, or service project. Sponsors can be federal or state agencies, foundations, nonprofit groups or private enterprises. **This includes subawards from sponsors that are under a Federal prime award.**

Characteristics:

- The project commits the University to a specific line of scholarly or scientific inquiry, typically documented by a research plan or statement of work.
- A specific commitment is made regarding the level of personnel effort, deliverables, or milestones.
- Project activities are budgeted, and the award includes conditions for specific formal fiscal reports/audits and/or invoicing. Provisions for return of unused funds.

- The agreement provides for the disposition of either tangible property (e.g. equipment, records, technical reports, theses or dissertations) or intangible property (e.g., inventions, copyrights or rights in data) which may result from the project.

Administration – Sponsored Programs; Charged full IDC (for Program Type) unless waived

All Sponsored Projects (except as noted in Sponsored Program addendum) will be administered by the Office of Research and Sponsored Programs in order to provide the highest quality and accountability to the Sponsor. If the funds are received from a foundation, ORSP will work with the Advancement office as necessary to ensure proper communication with the sponsor.

Fellowships, Scholarships and Other Student Aid

Fellowships and Scholarships are awards of financial support to individual students, postdoctoral scholars, faculty, or to the University on behalf of specific named students, postdoctoral scholars, or faculty scholars.

Fellowships and Scholarships for undergraduate or graduate students are normally categorized as “Student Aid.” A gift for fellowships or scholarships is administered through Advancement and the award of dollars to the individual is administered by the University’s Financial Aid office. .

However, some awards either require an institutional endorsement, or are for Postdoctoral or Faculty Scholars. In these cases individuals must apply through the Office of Research and Sponsored Programs (ORSP).

Undergraduate or Graduate Students

Students may apply for external fellowships in their own name. The process for submitting proposals will vary, depending on whether an institutional endorsement of the application is required by the funding source.

Administration

- o Submissions requiring an institutional endorsement are submitted through Office of Research and Sponsored Programs.
- o Submissions which do not require an institutional endorsement may be submitted directly by the student and administered as Financial Aid.

Postdoctoral and Faculty Scholars

Postdoctoral and Faculty Scholars who wish to apply for external fellowship funding must submit their application through Sponsored Programs. Awarded funds are received and processed by Sponsored Programs which administers the distribution of funds.

Administration – Sponsored Programs; IDC to extent allowed by Sponsor

NOTE: In certain circumstances a funding agreement may have characteristics of multiple funding types that makes it difficult to determine the type of funding and administration. In these cases the agreement will be reviewed by a three person committee comprised of members from Advancement, ORSP, and either Shared Services, or Center for Professional Development. This committee will make the determination within 5 business days are forward to the appropriate department for administration.

SPONSORED PROGRAMS ADDENDUM

Agreement Types

Grants

A Grant is defined as a Financial Assistance arrangement under which there is a transfer of funds or anything of value from the sponsor to the institution to assist the institution in reaching a particular institutional goal or public purpose.

- Principal Investigator (PI) defines the project – usually fairly loosely – Scope of Work/Project Narrative or Proposal cited in award
- Supports further knowledge in a particular subject area or field of research
- Sponsor retains right to revoke award and unused funds may be required to be refunded
- Has defined period of performance and “best efforts” are used in completing project
- Institution owns Intellectual Property (IP) and publications are not restricted (except for some DOD awards).

Cooperative Agreements

A Cooperative Agreement is defined as a Financial Assistance arrangement similar to a grant except that the sponsor has substantial involvement in the project. The sponsor and grantee work together to achieve a specific objective.

- Sponsor and Principal Investigator (PI) define the project – Scope of Work
- Supports further knowledge in a particular subject area or field of research
- Sponsor retains right to revoke award and unused funds may be required to be refunded
- Has defined period of performance and “best efforts” are used in completing project. Sponsor has substantial involvement in how project is conducted.
- Institution owns Intellectual Property (IP) and publications are not restricted (except for some DOD awards).

Contracts

A Contract is a mechanism for the procurement of a specific service or product with specific obligations for both the sponsor and the institution. Contracts can come in many forms, e.g., Sponsored Research Agreements, Service Agreements, or Purchase Orders.

- Sponsor, or Sponsor and PI jointly define Scope of Work
- Benefit is normally to the sponsor: anticipates economic benefit
- Sponsor/PI is identified as a Contractor, and is generally required to produce a work product or deliverable (which can be just a report)
- Contractor provides expertise/knowledge to solve a problem
- Sponsor retains right to terminate the contract and contractor paid only if the deliverable is accomplished.
- Rights to IP generally defined in the contract. Publication may require review/approval of the Sponsor.

Contracts -- Sponsored Research Agreements

A Sponsored Research Agreement is a formal research agreement where a product or service is done for a sponsor that requires specific research expertise. These agreements will have formal Scope of Work (SOW)/Project Narrative or proposal that defined the project. This agreement may generate new knowledge or products that possibly will generate IP of which ownership will be defined in the agreement. These agreements may involve subcontracts to other entities to complete the project and may involve cost sharing by the Institution.

Contracts -- Service Agreements

Fee-for-service agreements are small, specifically-designed projects that the Institution/PI is uniquely qualified to offer such special services. Fee-for-service agreements typically have the following characteristics:

- The service is an application of established methods and techniques that are routinely performed;
- The service does not involve any expert analysis or discretionary judgment;
- No IP or new knowledge is anticipated to result from this activity or service;
- There is no cost sharing or subcontracts required for the service

These services are generally simple service agreements or Purchase Orders.

Service agreements may be administered by Divisions under Delegated Authority from the Office of Research and Sponsored Programs (ORSP). This must be requested by the Dean's Office through the Proposal Review and Approval submission process to ORSP. The request must be approved by either the Director of ORSP or Associate Provost for Research. The agreement must be executed by ORSP.

Divisions may request to administer the project if the Service Agreement meets the following:

- Project is less than \$10,000 and less than one year in length
- There is no anticipated increase in funding for the project
- The project is Fixed Price or Fixed Fee (See Funding Types below)
- There are no Indirect Costs on the project or formal reporting/audit requirements
- There are no Research Compliance requirements
 - IRB, IACUC, IBC or Conflict of Interest
- There are no Cost Share requirements

Agreement Funding Types

Cost Reimbursable

Agreement indicates that the sponsor funds the project to the extent described in the award notice. The University is reimbursed by the sponsor only for actual costs incurred; any unspent funds revert to the sponsor. Similarly, the University is generally not obligated to complete the work if the estimated award amount was insufficient.

Since it is inherently difficult to estimate the cost of a research project, most sponsored projects are "cost reimbursable".

Fixed-price

The PI agrees to accomplish project objectives within a specific timeframe for a set dollar amount. If the deliverables are not completed within the award period, the contract must be extended. The award amount also remains constant, even if actual costs for the project are above or below it. Any overexpenditures are the responsibility of the department. Residual balances are disbursed under the University's "Residual Balance on Fixed Price Contract" policy.

Fixed-fee

The PI agrees to accomplish project objectives within a specific timeframe for a set dollar amount per patient, per hour, or other unit. The total award amount is based on an estimated number of units and is subject to downward adjustment based on the actual number of units completed. Sponsor approval is required to exceed the estimated number of units. The fee per unit remains constant, even if the actual cost per unit is above or below that amount. Any overexpenditures are the responsibility of the department, and earned unspent revenue does not revert to the sponsor. If the deliverables are not completed within any period of performance, the contract must be extended. Residual balances are disbursed under the University's "Residual Balance on Fixed Price Contract" policy.

Program Types

Research (Academic Research Center (ARC))

Research and scholarship activities that include the rigorous inquiry, experiment, or investigation to increase the scholarly understanding of the involved discipline.

University Research (ARC) Facilities and Administrative (F&A) rate applies.

Other Sponsored Agreements (OSA)

Service and training activities that primarily benefit non-DU students/personnel. These include:

- Service, development or training that are generally work for hire
- Community outreach projects
- Curriculum development/evaluation for outside entities; some circumstances require the Center for Professional Development to be involved in degree/certification trainings
- Commercial testing
- Internal Personnel Agreements (IPA) with Sponsors
- Travel and Conference grants

University OSA F&A rates apply.

Sponsored Instruction and Training (SIT)

Teaching and training activities funded by external sponsors for the benefit of DU students/personnel. Includes agreements which support curriculum development as well as teaching/training activities whether offered for credit toward a degree or certificate or on a non-credit basis.

- Includes training grants and fellowships
 - NRSA
 - Pre and post Doc training awards, including dissertation support
- Course prep and creating educational materials

University SIT F&A rates apply.

Offsite Activities

The University applies F&A rates for the above based on whether a project is considered on or off site. To be considered off-site:

- 50% or more of University employee personnel effort (including cost shared effort) is performed in facilities neither owned nor leased.

Is your **funding** a **Gift** or **Sponsored Program** (Grant, Contract, Cooperative Agreement)?

Can you answer **yes** to any of these questions?

Is the funding from a federal, state, or local **government agency**?

Are you committing to a specific line of **scholarly or scientific** work, documented by a **research plan** or **statement of work**? Is there a **formal budget**?

Are there **Federal research compliance obligations** (IRB, IACUC, IBC)?

Is there **formal fiscal reporting** (audit, invoicing) required? Are unspent funds to be returned?

Can you answer **yes** to any of these questions?

Was the funding **given with nothing of value expected in return**, beyond recognition and adherence to the donor's wishes?

Is reporting required as **good stewardship** for the donor, rather than as required by contract?

Are there **no contractual requirements** beyond an agreement to use the funds for a particular purpose?

Your funding is a
Sponsored Program

Contact your administrator in the Office of Research and Sponsored Programs (ORSP) or visit:

<http://www.du.edu/orsp/about.html>

Your funding is a
Gift

Contact Foundation Relations in the Advancement Department:

303-871-2733

Still not sure? Call Foundation Relations at 303-871-2733 – will be forwarded to committee for determination

Tips for Outside Funding

Each stream of outside funding comes with **two important requirements**: managing the **money** and managing the **relationship** with the funder.

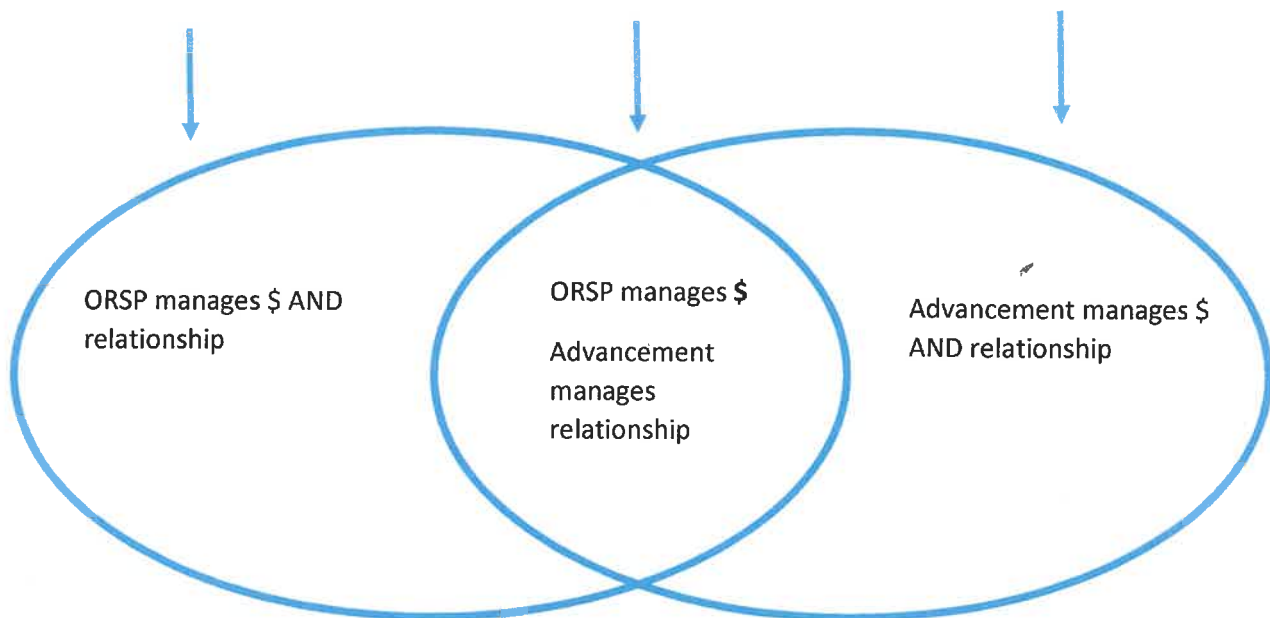
Depending on whether your project is a Sponsored Program or a Gift, either ORSP or Advancement will manage the money and the relationship. In the case of Sponsored Programs funded by foundations, the management of the money will happen through ORSP, but the relationship is managed by Advancement.

Source of Funds/Management

Sponsored Programs funded by government grants/contracts

Sponsored Programs funded by foundations

Gifts from foundations



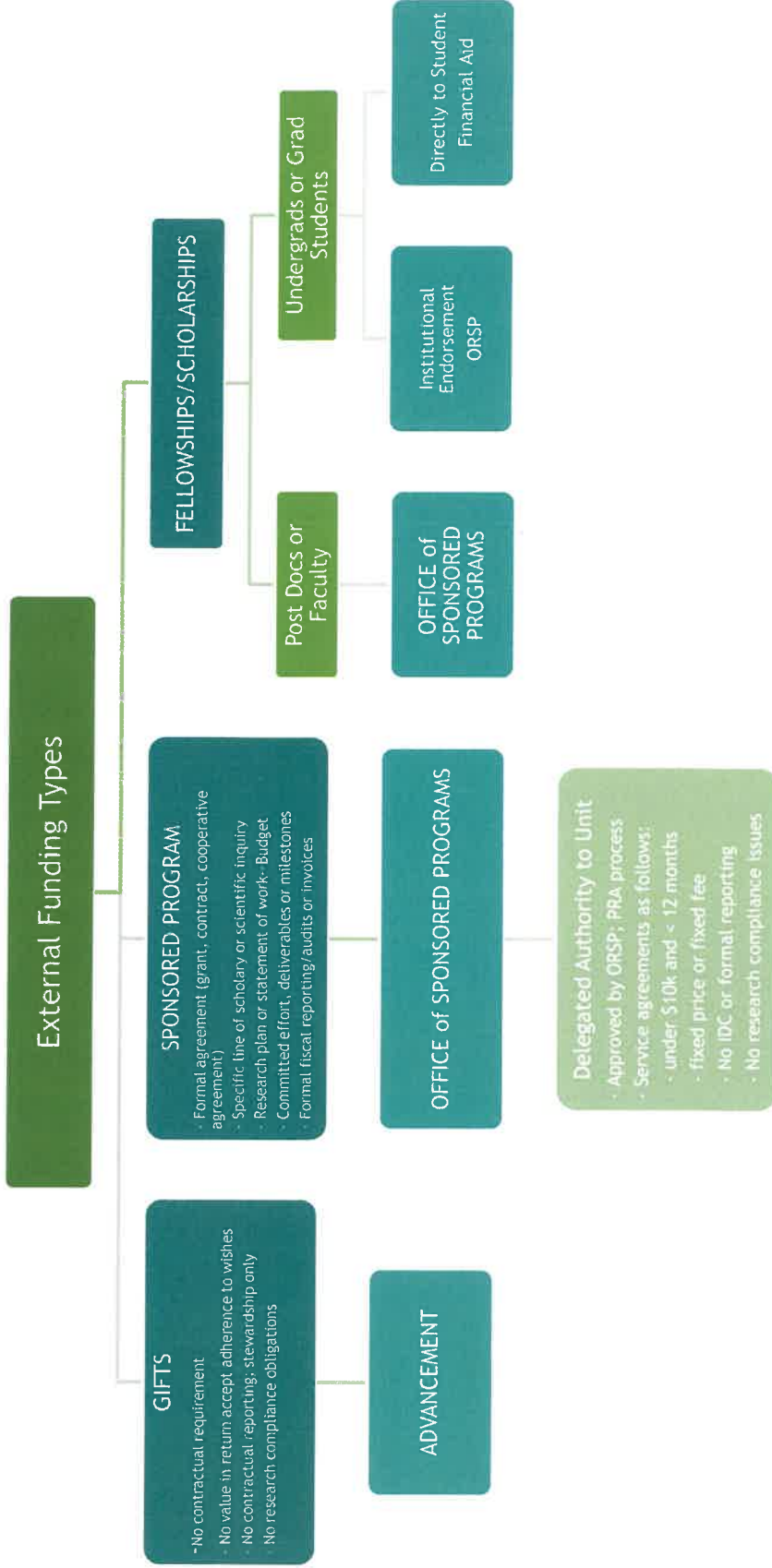
So what does this mean to you?

Before you apply for your award, or as soon as possible in the process, please notify either ORSP, Advancement or both. We can help you make sure your application is handled properly within the context of our existing relationship with the funder – giving you the very best chance of receiving funding.

If you haven't yet applied, visit either the ORSP website or Advancement/Foundation Relations website for tips on putting together your proposal and seeking potential funding opportunities. We're here to help you get the funding you need, manage it well, and achieve your goals.



External Funding Administration





SPONSORED PROGRAMS

