

KANSAS STATE UNIVERSITY

DIFFERENTIATING SPONSORED PROJECTS AND GIFTS

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GUIDELINES FOR DIFFERENTIATING SPONSORED PROJECTS AND GIFTS AT KANSAS STATE UNIVERSITY

This document provides information to assist in determining when external funds to be received by Kansas State University or the KSU Foundation should be handled as sponsored projects or as gifts. The terms grants, contracts, and gifts are sometimes used interchangeably, so the intended use of the funds is critical in determining whether they should be accounted for as sponsored projects or gifts. The information provided is intended to help define KSU's legal obligations and liabilities, and it is relevant for all personnel who manage such funds. Unresolved issues and questions should be referred to either Paul Lowe in PreAward Services (532-6804) or Jeff Chapman at the KSU Foundation (532-7512).

SPONSORED PROJECTS (FRS numbers beginning with 5-)

Generally, whenever KSU agrees (orally or in writing) to provide any goods or services using university facilities or the official time and services of KSU faculty and/or staff, the funds received are to be treated as sponsored project awards to KSU. These awards could be in the form of grants, contracts, cooperative agreements, or a variety of other research agreements.

Sponsored projects occur when KSU or an employee of KSU submits a bid, offer, proposal, or the like or responds (orally or in writing) to a request, announcement, call for proposals, or the like that results in the issuance of an award involving KSU and another party. All proposals for external sponsored project support regardless of funding source must be processed through the Office of Research and Sponsored Programs' PreAward Services. Likewise, all awards for external sponsored project support must be processed by PreAward Services, then forwarded to Sponsored Projects Accounting for deposit with the KSU Controllers Office.

The presence of any one of the following factors generally distinguishes the resulting funds from a gift and classifies the award as a sponsored project:

1. The proposed work binds the University to a specific line of scholarly activity which requires a statement of work or an orderly testing of specific hypotheses, methodology, or validation of particular approaches.
2. A specific commitment is made regarding the level of personnel effort, items of output (e.g., publication of papers or reports), or achievement of specific performance targets as a condition of funding.
3. A budget for expenditures by activity, function, or project period is required as a condition of funding and a fiscal report, activity report, or external audit is required during the course of the work or at the end of the project period.
4. Unexpended funds must be returned to the sponsor at the end of the project period.
5. The proposed agreement with the sponsor provides for the disposition of tangible property (e.g., equipment, records, technical reports, theses or dissertations) or intangible property (e.g., rights in data, copyrights, inventions) that may result from the activity.
6. Construction projects or acquisition of equipment or facilities where a state or federal government agency provides the funds.

PreAward Services should be contacted for procedures applicable to all sponsored project solicitations and awards.

GIFTS

All gifts to Kansas State University are administered by the KSU Foundation. The presence of any one of the following factors generally distinguishes the resulting funds from a sponsored project and classifies the award as a gift.

1. The gift is from a private individual, corporation, or foundation, and no sponsored project deliverables are specified or expected.
2. The gift is from a non-governmental source and is for facility enhancement ("bricks and mortar") or for the University's endowment.
3. The donor specifically intends the contribution to be a charitable gift with no sponsored project deliverables specified or expected.
4. The conditions or stipulations placed on the intended use of the gift are reasonable and serve to direct the funds to areas such as scholarships, facility enhancement, or general research support. The donor may request a summary of how the funds were utilized.
5. The donor intends the gift to be irrevocable and, therefore, relinquishes the right to reclaim the gift or any unused portion thereof.
6. The donor makes the gift to the University without expectation of economic benefit or other tangible benefit commensurate with the worth of the gift

Gift solicitations should be coordinated with the appropriate KSU Foundation representative in each college or other relevant unit. The KSU Foundation should be contacted for procedures applicable to gift solicitations.

NOTE: Regardless of whether funds are classified as sponsored projects or gifts, approval(s) must be obtained from the appropriate compliance committee(s) if any of the funds are to be used to support activities encompassing human subjects, animal care and use, radiological hazards, or biohazards. The approval(s) must be obtained prior to the expenditure of any funds in support of such activities, per federal regulations.