

## Grant and Contract Accounting Office Extramural Support Administration

### Purpose

This guidance sets forth parameters related to extramural support, which includes gifts, grants, sponsored contracts, and cooperative agreements. Sound administrative procedures and services are indispensable in assuring a proper support environment for extramural programs and in establishing and maintaining appropriate relationships with outside sponsors.

### Scope

The University is required to establish and efficiently maintain necessary procedures and administrative services to assist its faculty and staff in seeking, securing and managing extramural funds. The parameters in this guidance apply to sponsored grants, contracts, gifts, and cooperative agreements.

### Background

Statutory requirements and guidance objectives govern various aspects of extramural support. This guidance provides the parameters under which extramural support should administered.

### Definitions

**Contract:** A promise between two or more parties that usually involves the procurement of goods and services by one party or parties and the rendering of goods and services by the other party or parties. Contracts may be called a variety of names (e.g., agreement, purchase order, subaward, etc.); however, the content of the document will dictate the type of contract. Some specific types of contracts include:

**Sponsored Contract (also known as Research Contract):** Details the obligations of two or more parties over the course of a project. It usually has specific deliverables and milestones to be met and dictates how the contracting parties will interact with each other. If the content of the document includes specific terms and conditions governing the performance of the project or program, it is considered to be a sponsored contract. Sponsored contracts may include contracts governing research, instruction, public service, or outreach activities. Sponsored contracts are subject to assessment of indirect costs.

**Fee-for-Service Contract:** A Fee-for-Service contract is an agreement to perform work that:

- is routine or repetitive with minimal inventive or intellectual effort in the project design or interpretation of results;
- supports work that is in line with the institution's mission and not primarily for the commercial benefit of the purchaser;

- may be available to multiple customers; and
- includes consideration of indirect costs in the stated fee.

**Cooperative Agreement:** Used in lieu of a grant when the sponsor anticipates substantial programmatic involvement with the recipient during performance of the project. Cooperative agreements are subject to the assessment of indirect costs.

**Gift:** Extramural support that meets all of the following criteria. **Any extramural support that does not meet all five criteria to be a gift should be classified as a grant or sponsored contract.** Gifts are generally not subject to assessment of indirect costs.

- The gift must provide support for broadly defined activities, such as professorships, scholarships, building projects, fellowships and instructional programs. The donor may restrict the use of funds to a specific program area or purpose.
- No detailed technical or fiscal reports are required. The unit or faculty member involved may provide the donor with a summary of the results of supported activities and a statement that expenditures were made in accord with the intent of the gift. If detailed fiscal or technical reports are required, the agreement is a contract, not a gift.
- All patents, copyrights and other intellectual property rights that result from activities supported by the gift are not claimed by the donor.
- The gift contains no restrictive provisions, such as delays or advance notice concerning publication or dissemination of data and information derived from activities supported by the gift.
- The gift is irrevocable by the donor.

**Gift in-kind:** A contribution of personal or real property.

**Grant:** An agreement that is a legal instrument of financial assistance between a sponsor and a recipient that is used to enter into a relationship where the principal purpose is to transfer anything of value. It is not used to acquire property or services or as a pass-through for the sponsor's direct benefit or use. It is distinguished from a cooperative agreement in that it does not provide for substantial involvement of the sponsor in carrying out the activity defined by the award. A grant is distinguished from a contract in that a grant does not constitute the procurement of goods and services. It is a unilateral act. Grants are subject to the assessment of indirect costs.