

# AUBURN UNIVERSITY AND AFFILIATED FOUNDATIONS POLICY TO ADMINISTER GIFTS AND SPONSORED PROJECTS

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# Building the Relationship Between Research Administration and the Office of Development

- Collaborative Team began meeting in February 2011; represented areas include:

Sponsored Programs

Contracts & Grants Accounting

Office of Development, Corporate and Foundation Relations

Development Accounting

Office of Vice President for Business and Finance

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# Building the Relationship Between Research Administration and the Office of Development

- Goals of the Collaboration:
    - Increase in external support for Auburn University
    - Create common definitions and understanding for gifts, grants, contracts and exchange transactions
    - Create common understanding for soliciting, administering and counting external support agreements
    - Create common definitions and understanding of the role of each office
    - Ensure compliance with all applicable policies, guidelines, procedures
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# Why is this Important?

- Classification of funding as “gift” or “sponsored” affects the way Auburn University and the Auburn University Foundation:

Accounts for the funds

Recovers costs

Monitors activities

Reports on the use of the funds

- As external sponsors often use the terms “grant” or “gift” interchangeably, proper review and treatment of the funding is critical
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# Highlights of the Policy

- Definitions
  - Roles and Responsibilities
  - Revised Income Classification Checklist
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# ■ Definitions

- **Sponsored Projects** are externally-funded activities in which a formal written agreement is entered into by Auburn University and the provider of the funding. A sponsored project is typically an “exchange” transaction in which there is a specified statement of work with a related, reciprocal transfer of something of value
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# ■ **Definitions**

- **Gifts and Charitable Contributions** are defined as any item of value given to the University by a donor who expects nothing significant of value other than recognition and disposition of the gift in accordance with the donor's wishes
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# ■ Roles and Responsibilities

- Faculty, department heads or chairs, and deans need to know and understand the University policies in regard to acceptance of gifts and proper classification of funds received
  - Monitoring processes should be established at the college or school level to ensure the risks associated with the circumvention of policy are mitigated
  - Central administration, including development staff, is charged with the oversight of the policies and oversight of the appropriate classification of gifts and sponsored projects
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# ■ Revised Income Classification Checklist

- The **revised** checklist updates the requirement for compliance issues to be addressed whether funding is considered a gift or sponsored project.
  - The checklist is to be used as a tool for addressing funding questions in which the distinction is unclear.
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# Case Study

A small company in Auburn is interested in providing support for a researcher who the owner has worked with in the past and that commonly uses radioactive isotopes and recombinant DNA in his work looking for a cure for a specific disease. A white paper was sent to the company upon their request requesting the general research objectives of the researcher. His plan included several statements suggesting next steps will involve experiments on lab mice.

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- In what scenario would this be treated as a gift?
  - In what scenario would this be treated as a sponsored project?
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# QUESTIONS?

