

Guidelines for Classification of Gifts and Sponsored Projects

Effective July 1, 2009

These guidelines are intended to describe standards to be used to classify **external support** and identify appropriate administrative procedures for accepting and processing such support. For purposes of these guidelines, “external support” is anything of economic value provided by a third party, either the “sponsor” in the case of sponsored projects, or the “donor” in the case of gifts, for use in a project conducted by or at the University. Correct classification of external support and use of appropriate procedures is intended to assure the University’s ability to:

1. Comply with the wishes specified by the sponsor or donor,
2. Accurately measure the extent of giving and sponsored project/research activity,
3. Properly recover both direct and indirect costs,
4. Assure compliance with applicable laws, regulations and University policies.

The following guidelines are to be used in determining the classification of external support by all UI colleges, schools, departments, and other administrative units:

I. General Guideline

Most sponsored project proposals shall be processed through the Office of Sponsored Programs (OSP). If a sponsored project is to be funded by a private source which desires foundation-to-foundation submission and receipt, the proposal will be reviewed by the Office of Corporate and Foundation Relations and OSP prior to submission and will follow all guidelines of time and content. Upon receipt, all gift funds shall be processed through the Gift Administration Office then transferred to OSP in accordance with Section IV of these Guidelines.

II. Sponsored Projects

For purposes of these guidelines, a “sponsored project” is any project receiving external support that has defined performance requirements.

The following criteria shall be used for classifying sponsored projects:

- A. **Governmental External Support.** A project receiving either direct or indirect external support from any federal, state, local, foreign or other governmental entity, or Indian tribe, shall be considered a sponsored project at the time the support is committed or paid.
- B. **Non-Governmental External Support.** A project 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:

1. The *specific* project involves any of the following: human subjects, vertebrate animals, radioactive materials, recombinant DNA, human body substances, infectious agents, or third-party proprietary materials.
2. The external support is subject to any of the following conditions:
 - a. Delivery of specific goods, services, or other deliverables by the University
 - b. Performance milestones
 - c. Intellectual property, ownership, or related rights
 - d. Insurance, indemnification, or warranty
 - e. Audit requirements
3. 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.
4. External support is provided by a sponsor for the testing or assessment of the sponsor's products or services.

III. Gifts

For purposes of these guidelines, a gift is the voluntary provision of external support by a donor to the University, without any requirement for receipt of any economic or other tangible benefit in return.

Gifts shall normally meet the following criteria:

- A. The external support does not meet the criteria for a sponsored project as described in Section II of these Guidelines.
- B. The external support is irrevocable, providing the gift is used in accordance with any valid restrictions accepted by the University.
- C. No goods, services or deliverables are offered or exchanged in consideration of receipt of the external support.
- D. The donor provides the support to the University without expectation of direct economic benefit or other tangible benefit. Indirect benefits such as tax advantages or business or personal goodwill derived from close association with the University and the miscellaneous benefits derived from donor status do not negate gift intent.
- E. Financial reporting or accounting for use of external support is not required, although it shall be acceptable for the donor to request information from the University about utilization and/or impact of the external support, including expenditures and fund balances.
- F. Contributions to endowments and nongovernmental contributions for capital projects would normally be classified as gifts.

IV. Indirect Costs and Fees

- A. For details relating to sponsored project indirect costs and fees, please refer to the OSP website at <http://www.uro.uidaho.edu/default.aspx?pid=96432>.
- B. All gifts to the University of Idaho Foundation, Inc. will be assessed an administrative fee of 3% on expendable gifts or 1% on endowed gifts to advance the University of Idaho's mission.
- C. When external support is awarded to the UI Foundation but requires OSP oversight, 1% of every 10% of indirect costs allowed, not to exceed the normal 3%, will be assessed by the UI Foundation.
- D. The Foundation will transfer cash to the University account on a monthly reimbursement basis, provided that the funds have been expended by the University per policies adopted by the UI Foundation and the University effective July 1, 2007.

The standards described in these guidelines are applicable to all external support provided to the University. Final determination concerning grants and gifts will be made by the Vice Presidents of Advancement and Research or their designee.