

# ADMINISTRATION POLICY

Sponsored Programs are externally funded activities which fit within the mission Ball State University, and which are carried out under the direction of the faculty or staff members in fulfillment and furtherance of their various roles in the academic community.

In the past decade, Ball State University has experienced growth in activities which are categorized as Sponsored Programs, with the potential for additional growth into the future. With growth comes the need for clarity in policies and procedures to be followed in the administration of these activities in order to meet University and sponsor requirements, and to provide the best possible support and service to all parties involved.

It is important Sponsored Programs are identified as such and that each award is routed through the appropriate offices to assure that the acceptance and administration of these activities meet both University and sponsor requirements and that various technical, legal, and financial issues be properly addressed.

## I. ELEMENTS OF A SPONSORED PROGRAM

Whether an external funding falls within the definition of a Sponsored Program is determined by the presence of most of the following elements:

**Commitment from an External Sponsor:** A written commitment from the sponsor, which follows receipt and acceptance of a proposal, may take various forms such as a grant agreement, contract, purchase order, or a letter of award, depending on the type of Sponsored Program and sponsor policy.

**Restricted Activities and Use of Funds:** The use of external funds is restricted to the activities which are agreed upon the external sponsor and the University. The activities are described in a proposal submitted by the University to the sponsor.

**Faculty or Staff Leadership:** The program involves a faculty or staff member qualified to serve as a Project Director (Principal Investigator) who will provide leadership in determining, proposing, and completing the activities of the project.

**Compliance:** The terms and conditions of any award documents must be reviewed before acceptance, and must be found to be in compliance with University and sponsor policies, regulations and applicable law. In some instances sponsors have the authority to audit activities of a Sponsored Program as to fiscal and programmatic compliance.

**Final Reports, Products, or Other Deliverables:** The end products of a Sponsored Program are usually one or more deliverables which result from the activities. Deliverables may include anything to which both parties have agreed in advance. Some may be quite specific, others more general. They may take the form of tangible products, written documents or financial information. Examples included videos, software, material formulations, curricular materials, reports of results or surveys, manuscripts, works of art and documentation of completed instructional or service commitments.

These and other forms of intellectual property which may result from these activities may be subject to patent, copyright, or other statutory protection.

**Source of Funds:** Although external awards may come from any source, all funds of federal origin, including funds passing through other sponsors, must be administered as Sponsored Programs, with the exception of student financial aid or general construction grants. Funds may also come from state or local government units, businesses and industry, or not-for-profit organizations including associations, foundations and other universities. A program funded by an individual or family may be managed as a Sponsored Program when it meets the other elements described herein.

**Period of Performance:** There is a defined period of time in which the activity is expected to take place, with specific starting and ending dates. In some projects a sponsor may not specify an exact period but these is an expectation about the time period in which the work will occur and be completed.

**Examples:** Appendix A is a listing of “Representative Examples of Sponsored Programs,” describing examples of some types of activities which take place within the University and conditions under which they may or may not fall under the definition of Sponsored Programs.

## II. ACADEMIC COSIDERATIONS

Sponsored programs provide resources to enable the University to meet its commitment to society in the traditional forms of teaching, research and service. There are many opportunities presented by Sponsored Programs to facilitate achievements in these areas. In an institution of the size and complexity of Ball State University, it is to be expected that external funding though Sponsored Programs will be secured for a wide variety of activities.

## III. ADMINISTRATIVE CONSIDERATIONS

Sponsored Programs may be entirely supported by funds from one or more external sources, and, in some cases, may include the University sharing a portion of these costs. Other commitments of University resources, such as facilities or personnel, require review and approval by appropriate authorities through the University’s clearance process (described under Section IV). A Sponsored Program requires careful management of compliance requirements of sponsors of the University, including programmatic and financial audit. The offices responsible for these functions must be assured that requirements, risks, and liabilities attendant to the project are understood and approved.

**Funding Document:** A written agreement between the sponsor and the University may take various forms such as a grant agreement, contract, cooperative agreement, purchase order; or simply a letter of award, depending on the type of sponsored program and sponsor policy.

**Funding Type:** Sponsored Program awards may be either cost reimbursement or fixed price. See Appendix B for Definitions.

## IV. UNIVERSITY CLEARANCE PROCEDURES FOR PROPOSALS TO RECEIVE EXTERNAL FUNDING

Since all Sponsored Programs are administered under the auspices of the University, an instrument for obtaining review and commitment of the University to the project is necessary. The “University Clearance Sheet for Sponsored Programs” routed electronically via FormBlaster, is the mechanism for approvals, and its processing is the responsibility of the Sponsored Programs Office (SPO). A fully completed and electronically signed clearance sheet is required prior to the submission of a proposal to a sponsor for a new program (or for the continuation or renewal of an existing program when additional funds are and activities is involved).

This clearance must be in place prior to official University acceptance of an external award. Official acceptance of an award is the responsibility of the Contracts and Grants Office (CGO), which requires authorizing signatures through the Office of the Vice President for Finance and Business Affairs.

**CLASS PROJECTS:** There are some activities taking place within the University which meet criteria for sponsored programs, but which have as a primary function the participation of students as part of an assignment for a course for which they are enrolled. Such projects may be administered separately within a department or college, with these stipulations: 1) that the sponsor provides no more than \$1,000 in any given term, and 2) that other requirements, such as the use of human subjects, are met. Departments

administering such class projects are required to report income to the appropriate dean, and the dean in turn will forward information each semester to the SPO upon request from that office.

## APPENDIX A: REPRESENTATIVE EXAMPLES OF SPONSORED PROGRAMS

Many sponsored programs will address more than one role, and may have several faculty, staff, and student participants. These activities may be complex, involving one or more colleges, departments or support units. Others may be small programs involving a single activity or purpose, such as data collection, workshops, creative activity or fellowships.

The following examples of activities at Ball State University fall within the definition of a sponsored program when they meet the criteria listed under "Elements of a Sponsored Program." When an activity does not meet these criteria, the activity does not qualify as a sponsored program; when an activity is in question contact either SPO or CGO for a determination. These are representative examples of the broad range of activities which can typically occur in university settings:

### **Research, (Basic and Applied) Publication, Creative Endeavors, or Other Scholarly Productivity**

Examples may include:

#### **Faculty, Staff or Student Research, On or Off Campus**

Sponsored Program: National Science Foundation (NSF) Grant received for research as a described in a proposal

Non-Sponsored Program: Research conducted during sabbatical, with no external support.

#### **Development of Scholarly or Creative Works**

Sponsored Program: Grant received to fund activities as described in a proposal

Non-Sponsored Program: Research funded by gift to the University, which does not specify the type of activity to be undertaken or the time frame in which the work is to be completed.

#### **Evaluation, Testing and Assessment of Instructional Methods, Software, Products, Processes, etc.**

Sponsored Program: Foundation grant received in response to a proposal describing the activity

Non-Sponsored Program: Use of department/college funds

#### **Equipment Use**

Sponsored Program: Equipment manufacturer provides equipment under terms of an agreement accepted by BSU (strings attached).

Non-Sponsored Program: Corporate gift with no strings attached

#### **Consulting**

Sponsored Program: University-based consulting agreement for work to be conducted on consulting time and/or own time, and requiring use of University resources (labs, university computing services, graduate students, university personnel, etc.)

Non-Sponsored Program: Consulting agreement for work to be conducted on consulting time on one's own time, and without the use of University resources (work done at home or at client facilities)

**Instruction: Irrespective of Level, Local, or Medium, and including Ancillary and Support Activities**

Examples may include:

**Innovative Curriculum and Course Development**

Sponsored Program: Environmental Protection Agency (EPA) grant received to develop innovative courses with environmental content

Non-Sponsored Program: Department or college funds the development

**Distance Education**

Sponsored Program: Sponsor pays for the development and/or delivery of distance education programming and courses (e.g. develop a course in business German for delivery to its employees)

Non-Sponsored Program: M.B.A. program students pay tuition/fees to attend; providing courses to school corporations which may pay fees for routine delivery of instruction

**Professional Development for Teachers in K-12 and other Settings and Instructions in Off-Campus, Nontraditional Settings**

Sponsored Program: Indiana State Department of Education grant to develop and present programs for target audiences (school corporations, corporate sponsors for workforce development and training)

Non-Sponsored Program: University provides the program, and clients (schools, corporations, etc.) pay tuition or fees)

**Workshops, Seminars, Conferences, or Funding for Special Lectures**

Sponsored Program: U.S. Department of Education grant to provide support (in whole or in part) for a specific event

Non-Sponsored Program: Funded by registration fees paid by participants

**Faculty Development and/or Student Enrichment Activities**

Sponsored Program: Grant for student leadership program development

Non-Sponsored Program: foundation funds for general student enrichment; state-appropriated funds for special activities such as computer literacy

**Public Service**

Examples may include:

**Work in Community Settings**

Sponsored Program: Community organization provides funds for faculty/students working with university facilities to develop a community improvement plan

Non-Sponsored Program: Students develop a plan for urban area improvement with modest or no costs to community as part of a class project supervised by faculty assigned to the course

### **Providing University Expertise and Facilities to Community Groups**

Sponsored Program: Through a written agreement a corporation agrees to support student interns as well as faculty in advisory roles as part a comprehensive agreement

Non-Sponsored Program: Unpaid student internship position with standard faculty mentoring of internship program

### **Performances and Exhibitions**

Sponsored Program: Grants from the Indiana Arts Council pays for visiting artist or composer

Non-Sponsored Program: Faculty or visiting artist receives stipend directly from the group for a musical performance

### **Academic and Institutional Support**

Examples may include:

#### **University Strengthening Grants and Programmatic Support (Including University Schools)**

Sponsored Program: Entitlement programs requiring institutional signatures

Non-Sponsored Program: Non-alumni gifts to department

#### **Personnel Exchanges and Fellowships**

Sponsored Program: Sponsored program: Fulbright Scholarships and other Fellowship awards made only to the institution; Fellowship awards made to the individual who assigns the wards to the institution for administration (and to permit faculty to obtain full or additional benefits during a sabbatical or off-semester)

Non-Sponsored Program: Fellowship award issued directly to individual and not assigned to the University for Administration

#### **Inter-Agency Personnel Agreements (IPA)**

Sponsored Program: IPA is issued to the University (earmarked for a specific individual, such as an NSF rotator); IPA is issued to the individual who requests that the institution administer the agreement

Non-Sponsored Program: Unpaid arrangement such as Journalism faculty taking an unpaid position on a newspaper during a sabbatical period

## **APPENDIX B: DEFINITIONS AND DISTINCTIONS AMONG TYPES OF AWARD DOCUMENTS AND FUNDING TYPES**

### **Funding Documents:**

In the same manner that a sponsored program can take several forms (basic research, service, etc.), a written agreement between the sponsor and the University may take various forms such as a grant agreement, cooperative agreement, contract, purchase order, or simply a letter of award. Some sponsors prefer more formal and rigorous agreements while others prefer an informal approach.

Regardless of the type of funding document used, the form of the award document does not determine whether or not it is a sponsored program. Sponsored programs status is determined solely on the presence of the “elements” as described in Section I.

### **Grants, Cooperative Agreements, and Contracts:**

Often the terms “grant” and “contract” are used interchangeably. However, there are distinctions among these different types of awards and their variations. The distinctions between a grant or cooperative agreement and a procurement contract can be identified by (a) the principal intent, and (2) the primary beneficiary of an award.

#### **Grant:**

A grant is awarded for a project which the faculty member has proposed and the sponsor agrees to fund, generally considered to represent projects intended “for the public good.” The principal intent is to accomplish a public purpose of support and the primary beneficiary is the public (including the community of scholars).

#### **Cooperative Agreements:**

A cooperative agreement is a type of grant in which both sides have an interest in an area of research or other activity. Both sides agree to work jointly on the project. There may be times when either party is working on the premises of the other. These agreements must address unique liability concerns (participants who will be working on the premises of the other party); publication concerns (providing for joint or separate publication of the results), and ownership of any intellectual property resulting from the project.

#### **Contract:**

A contract is awarded by a sponsor to procure services which the sponsor needs for its own use, usually requiring faculty intellectual input or use of unique university resources, with the sponsor setting the specifications for the work/service to be provided. The principal intent of the sponsor is acquisition of goods or service and the direct beneficiary of the project will be the sponsor.

#### **Examples:**

(a) Conferences are funded activities which may be awarded as grants or by contracts depending on the nature of the activity and the primary beneficiary. A conference **proposed for funding by an applicant** to exchange and disseminate information among the public should be funded using a grant award. While the sponsor may benefit from information exchanged at the conference, the principal intent of the grant award is to stimulate dissemination of knowledge to the public. The primary beneficiary is the public. A conference, however, **initiated by the sponsor** should be awarded by as a contract. For example, a conference to provide specialized services to attendees who could otherwise be provided directly by the sponsor should be handled by contract. Although the recipients of the training benefit from it, the training services in lieu of conducting its own training program. In this scenario, the sponsor is the primary beneficiary.

(b) Evaluations/studies are also types of funded activities that can be awarded as either grants or contracts. A study intended to track service benefit impacts of Federal Programs at the state and local level should be funded using a grant if the primary beneficiaries are the state and local community program being studied. However, a study of a specific demonstration program should be awarded by contract if the primary purpose of the award is to prepare a mandated report on the program for the Secretary to Congress. In the first scenario, while the Federal Government might benefit from the

information obtained from the study, the primary beneficiaries are the state and local agencies and ultimately the recipient service population. In the second scenario, the primary beneficiary is the Federal Government.

**Purchase Orders:**

A sponsor may also issue a purchase order, which is a type of contract. Purchase orders are more frequently used by private sector sponsors; especially companies more accustomed to sales and services arrangements and are usually considered to be a type of contract as the intent is the procurement of goods/services for the sponsor's own purpose and the primary beneficiary is the sponsor. The purchase order may be the only funding mechanism which as sponsor recognizes or the purchase order may accompany a written agreement. When a purchase order accompanies a written agreement, the sponsor's internal procedures usually require a purchase to be issued as their formal means of "encumbering/committing" funds for a specific purpose.

**Letters of Award and Verbal Agreements:**

Some sponsors prefer informal arrangements such as a letter of agreement or even a verbal agreement. However, verbal agreements must be formalized to at least a letter of award stating at the minimum that they are making a commitment to fund a specific proposal identify which proposal and the amount of the funding.

**Sub-agreements:**

When an organization requests that participation of BSU faculty/staff in conducting work under a grant contract issued to them by a funding agency, then BSU will receive a sub-grant (under a grant agreement) or a subcontract (under a contract). Sub-agreements are treated in the same manner within the University as any other sponsored program and require development of a proposal and a budget and approval through the University clearance process prior to submitting these documents to the sponsor for inclusion in their proposal. Similarly, Ball State may act as a prime grantee or contractor and negotiate sub-agreements with other Universities or organizations.

**Funding Types:**

Sponsored program awards may be either cost reimbursement or fixed-price.

**Cost Reimbursement:**

The sponsor agrees to reimburse the University's actual costs to conduct the program, up to the amount of the written agreement. If the actual cost of the program is less than the amount of the written agreement, the University invoices and receives payment for only the actual costs, at a savings to the sponsor. Financial reports are generally required.

**Fixed-Price:**

The sponsor agrees to pay a fixed price—the full amount of the written agreement. If the actual cost to conduct the program is less the amount of the written agreement, the University retains this amount. If the actual cost exceeds the amount of the written agreement, the University sustains a loss. Obviously, this funding type presents a risk to the University if the actual costs exceed the estimated costs. A budget may or may not be required by the sponsor (although it will be required by the University for internal use in costing), and no financial reports are required