

## DEFINING SPONSORED PROGRAMS

### PURPOSE:

To ensure compliance with federal and state laws and UNC policies, to clarify submission procedures and processing of awards for external sponsored program funds, and to ensure a uniform administrative process among the constituent UNC institutions.

### GENERAL DEFINITION:

"Sponsored programs" refers to scholarly, professional, and creative activities that UNC personnel conduct with support from external funding instruments such as grants, contracts, cooperative agreements, or other agreements deemed appropriate by the UNC Board of Governors (*Administrative Memorandum #408*, dated November 17, 2000)

### SPECIFIC DEFINITIONS:

**A. In addition to the general definition above, any one of the following conditions is sufficient to define a sponsored program:**

#### **Conditions Concerning the Nature of the Agreement/Activity**

1. A formal proposal exists requiring the endorsement of a UNC-authorized official.
2. Progress, technical, final reports, and/or other exchanges are required. The proposed activity binds UNC to a specific delivery of work including service to a sponsor.
3. The activity has a specified performance period or completion date.
4. The agreement for the activity contains compliance terms and conditions.
5. The agreement for the activity contains provisions for confidentiality.
6. The testing/evaluating of proprietary products is involved.

#### **Conditions Concerning Financial/Institutional Involvement**

7. Initial pricing, expenditures, financial reporting, and/or performance may be subject to external audit.
8. Billing, separate accounting procedures, and/or report of expenditures are required.
9. Reimbursement/payment is contingent on completion of specified exchanges.

10. Unexpended funds must be returned to the sponsor at the end of the activity.
11. Cost sharing/cash matching is involved in the performance of the activity.
12. The activity includes budgeted indirect costs.
13. The activity involves disposition of property, whether tangible or intangible, that may result from the activity (e.g., equipment, inventions, copyrights, or rights in data).

**B. A sponsored program is NOT:**

1. A voluntary donation -- i.e., the donation transmittal information does not include any of the conditions defining a sponsored program.
2. A voluntary donation of funds given irrevocably.
3. A voluntary donation of personal property (e.g., cash, securities, books, equipment) provided by a donor without expectation of tangible or economic (except tax) benefit.
4. The transfer of property with no implied responsibility on the part of UNC or the foundation to provide the donor a product, service, technical or scientific report, intellectual property rights, or any other exchanges.
5. Donations of real estate, even if initially dedicated for a specific sponsored program.
6. Funds received directly by a faculty member (e.g., summer fellowships or travel grants).
7. A project conducted as an external professional activity for pay as defined by UNC Administrative Memorandum 333.
8. Honoraria -- funds given directly to a faculty member by agreement not requiring administrative endorsement.
9. Testing and service agreements processed through re-charge centers having an established fee for service.
10. Teaching and professional services provided by UNC personnel to the public at large on a fee-for-service basis.
11. Non-technical services to external organizations (e.g., lodging and food service to groups on campus; meeting facilities; sporting events).
12. Fellowships and/or scholarships without a service component or other restrictions.

**PROCESSING PROCEDURE:**

1. Prior to acceptance, all activities involving a commitment of the (UNC) resources (*including UNC personnel*) subject to the definitions in Item A are subject to *Administrative Memorandum #408* and must be reviewed and approved by the appropriate academic and administrative unit officials.
2. Based on the above definitions, a voluntary donation may be deposited to a constituent UNC account or to a foundation account, as long as the restrictions of the donation (if any) do not violate the policies of UNC or the foundation.
3. Funds received and deposited in a foundation account shall be transferred by subcontract to the constituent institution or by direct internal transfer to a constituent institution account if any of the funds will be expended toward an activity that meets the criteria of a sponsored program.
4. All sponsored program funds expended by UNC personnel for the conduct of UNC sponsored programs shall be expended from a UNC account.