

**WHO SHOULD PROCESS REQUESTS FOR AND AWARDS OF EXTERNAL FUNDING? SPONSORED PROGRAMS, BUSINESS SERVICES OR DEVELOPMENT?
- CRITERIA FOR PROCESSING EXTERNAL FUNDING -**

This document specifies criteria for determining primary administrative responsibility for transactions that result in an external entity (e.g., individual, corporation, foundation, government agency, or professional association) transferring cash or other assets to MU. For any given class of transactions, a single process exists and that process is overseen by a single administrative unit, although this does not preclude cooperative efforts. Certain sorts of transactions will require cooperation across administrative units. In most cases, the criteria provided here will be used to identify the responsible administrative unit. When the appropriate administrative unit is not clear, the situation should be referred to either the Development Director or the Sponsored Programs satellite office for the relevant department. Circumstances that fall into "gray areas" in these criteria will be referred to a committee of representatives from Development and Alumni Relations, Office of Sponsored Program Administration, and Administrative Services for assignment to the appropriate administrative unit.

Transaction type may be identified as follows.

1. a. Federal funds, either direct from a federal agency or flow-through via one or more intermediate parties from a federal agency (note that Medicare/Medicaid is excluded) *Sponsored Program/Project*
 b. Non-federal funds or Medicare/Medicaid allocations 2
2. a. Unrestricted gift to MU in support of research, scholarship, teaching or other. No "deliverables" are expected by the donor, no restrictions exist on use of funds and no "unwritten agreement" exists that identifies deliverables¹ *Gift*
 b. Deliverables expected by donor/sponsor; funding thus is restricted 3
3. a. Sponsor expects to purchase a service from MU based on performance by a nonacademic unit (e.g., auxiliary enterprise); purchase may or may not involve a contract; often point-of-sale exchanges; no creative scholarship is involved² *Business transaction*
 b. Sponsor expects value from MU commensurate with magnitude of the award; award may be withdrawn if such value is not received; the deliverable is usually provided by academic staff or unit; the sponsor typically has an interest in the deliverable (altruistic, academic, proprietary, etc.); example is grant in support of research, teaching or outreach functions of MU *Sponsored Program/Project*

¹ Misrepresenting a sponsored program or project as an unrestricted gift in order to avoid applicable F&A constitutes fraud.

² Misrepresenting a sponsored program or project as a business service in order to avoid applicable F&A constitutes fraud.

Transaction: Gifts

Administrative Unit: Development and Alumni Relations

The Vice Chancellor for Development & Alumni Relations is responsible for planning and coordinating programs and activities that lead to gifts to the University. This includes the prospect management system and all programs for annual giving, planned giving, capital campaigns, and major gifts from private-sector donors. At the campus, division, and department levels, the Directors of Development maintain solicitation and stewardship responsibilities and manage gifts under the auspices of the Board of Curators.

Criteria for Gifts: Donors may specify a program to be benefited by their *gifts*, but the transaction must be irrevocable and there may be no expectation on the part of the donor to receive a return of commensurate value from the University. The gift may or may not be made in conjunction with a legally binding document. Unrestricted gifts must be accompanied by documentation from the donor that no deliverables are expected.

Transaction: Sponsored Programs/Projects

Administrative Unit: Office of Research

The Vice Chancellor for Research is responsible for coordinating programs and activities that lead to awards for specific purposes. These awards are often referred to as *sponsored programs or projects*. The Office of Sponsored Program Administration most commonly executes the fiscal and contractual responsibilities vested in the Vice Chancellor for Research.

Criteria: Funding for sponsored programs or projects is provided to the University with the understanding that the sponsor will receive value from the University commensurate with the magnitude of the award and that the award may be withdrawn if that value is not received. The value to be provided from the University to the sponsor is normally specified as part of a legally binding document, which may be a grant or contract. Sponsored programs or projects are typically performed by academic staff or units as part of expected scholarly or academic responsibilities.

Transaction: Business Contracts & Transactions

Administrative Unit: Administrative Services

The Vice Chancellor for Administrative Services is responsible for the standard business transactions of the University and for all agreements involving real property. *Standard business transactions* include collection of student fees, operation of auxiliary enterprises, sales of University resources other than those designed to cover costs, and oversight of internal transactions among University entities. The Associate Vice Chancellor for Administrative

Services most commonly executes the fiscal and contractual responsibilities vested in the Vice Chancellor for Administrative Services.

Criteria: Transactions overseen by the Vice Chancellor for Administrative Services may or may not be made in conjunction with a legally binding document. If a legally binding document is involved in these transactions, that document is a *contract*. Many transactions overseen by the Vice Chancellor for Administrative Services will not involve contracts (though they may involve invoices and/or receipts) because they are exchanges at the point of sale. Most business services are performed by nonacademic staff.