

# UConn HEALTH

**POLICY NUMBER 2002-36**

**August 11, 2006**

**POLICY: TYPES OF SPONSORED PROGRAMS  
(RESEARCH SPONSORED PROGRAMS)**

**PURPOSE:**

The purpose of this policy is to categorize sponsored programs into functional categories. These functional categories are defined below.

**1. Sponsored Programs**

The term “sponsored programs” refers to a financial award (grant, contract, or cooperative agreement) from a sponsor to conduct a specified research, training, or service program.

Sponsors can be state or federal agencies, foundations, nonprofit groups, or private enterprises such as business and industry.

Sponsors may impose limitations relate to the use of program data, or details relating to patents or copyrights may be involved.

There is a binding agreement between the University and another entity to provide economic benefit for compensation paid.

The University is awarded sponsored programs in the form of grants, contracts, and cooperative agreements. The type of agreement usually reflects the relationship between the sponsor and the recipient. The following descriptions point to distinctions between each type of sponsored project.

**A. Grant**

A grant is a pledge of support where the sponsor has little involvement in conducting the project.

Example: A federal agency might request proposals for projects involving the Americans with Disabilities Act. The Principal Investigator (PI) would then propose a project in this area and it would be conducted with little involvement by the sponsor.

**B. Contract**

A contract is an agreement where the sponsor has more involvement and uses the project to achieve a specific outcome or deliverable.

Example: A business might request proposals to devise an electric wheelchair. Before the project begins, the sponsor and the PI might discuss features that the wheelchair should have and agree on tests that the finished project must pass. The work would then be conducted by the University PI.

**C. Cooperative agreement**

A cooperative agreement is an agreement where the sponsor has substantial involvement in the project. The sponsor and grantee work together to achieve a specific objective.

Example: The wheelchair project would constitute a cooperative agreement if both the sponsor employees and the University PI worked together to develop the wheelchair.

**2. Sponsored Programs and Other Sponsored Programs**

The University distinguishes between sponsored programs based on the intent of the proposal.

**A. Research Sponsored Programs**

Sponsored programs with a scientific or scholarly intent, that may or may not involve human subjects or animals, are considered Research Sponsored Programs. Proposals for Research Sponsored Programs must be approved by all pertinent departments, committees, and boards in accordance with University policies.

**B. Instruction/Training Sponsored Programs**

Sponsored programs with an educational or instructional intent, that may or may not involve human subjects or animals, are considered Instruction/Training Sponsored Programs. Proposals for Instruction/Training Sponsored Programs must be approved by all pertinent departments, committees, and boards in accordance with University policies.

**C. Other Sponsored Programs**

All other extramurally-funded projects, excluding gifts and external sales as defined in below, are considered Other Sponsored Programs. Other Sponsored Programs must be approved in accordance with University policies.

Example: A PI is requested by a local company to test the air quality of a building and provide a report of findings to the company for a fee.

**3. Types of funding arrangements.**

Sponsored projects are funded in one of the following ways:

**A. Cost reimbursable**

A “cost reimbursable” agreement indicates that the sponsor funds the project to the extent described in a line item budget. The University is reimbursed by the sponsor for actual costs incurred, including facilities and administration costs (F&A). The University is generally not obligated to complete the work if the estimated award amount is insufficient.

Since it is inherently difficult to estimate the cost of a research project, most sponsored projects are “cost reimbursable.”

**B. Fixed-price**

In a “fixed-price” award, the PI agrees to accomplish the project objectives within a specified timeframe and for a set dollar amount. If the deliverables are not completed within the award period, the contract must be extended. The award amount also remains constant, even if actual costs for the project are above or below it. Any over expenditures are the responsibility of the department, and any unspent funds do not revert to the sponsor.

**C. Fixed-fee**

In a “fixed-fee” award, the PI agrees to accomplish project objectives within a specific timeframe and for a set dollar amount per patient, per hour, or other measurable unit. The total award amount is based on an estimated number of units and is subject to downward adjustment based on the actual number of units completed. Sponsor approval is generally required to exceed the estimated number of units. The fee per unit remains constant, even if the actual cost per unit is above or below that amount. Any over expenditures are the responsibility of the department, and earned unspent revenue does not revert to the sponsor. If the deliverables are not completed within the award period, the contract must be extended.

**4. Sources of funds not considered Sponsored Programs**

Funds coming into the University through its Research efforts that are not from Sponsored Programs are either gifts or resulting from external sales.

**A. Gifts**

Gifts are all restricted and unrestricted funds or property transferred to UConn Health, UConn Foundation, or to a designated school (SOM or SODM) by an individual, group, business, or nongovernmental agency when the use of funds is NOT intended to result in direct economic benefit or any other tangible compensation (i.e., goods or services) to the donor.

In general, if the funds are subject to reporting restrictions or obligations such as licenses, fees, or restricted to a specific project, they are sponsored projects, not gifts. [Gift Determination Worksheet](#).

**B. External sales**

A department or school may receive funds by selling supplies or services outside the University community. Income from external sales may be subject to federal taxes, and regulatory requirements imposed by Federal and State agencies (i.e., FDA).

Generally, the activity generating an external sale is supported by sponsored funds and the income from the sale is reported as program income on the program. External sales on sponsored programs are subject to reporting as stipulated in the agreement with the sponsor.

Example of a gift vs. sponsored program vs. external sale:

A PI receives a set amount of money (fixed-price award) to develop a product. These are sponsored funds and the project is treated as a sponsored program. It is not a gift because the sponsor expects a deliverable. While the project is being conducted, the researcher sells a prototype of the deliverable. Income from this external sale is program income and handled according to the program income policy. If the prototype is sold after the project is completed, the income from the sale is still treated as an external sale.

Daniel Upton	10/17/06
_____	_____
<b>Chief Financial Officer</b>	<b>Date</b>
Bruce M. Koeppen, M.D.	10/12/06
_____	_____
<b>Dean for Academic Affairs</b>	<b>Date</b>
Peter J. Deckers, M.D.	10/12/06
_____	_____
<b>Executive Vice President for Health Affairs</b>	<b>Date</b>

**Replaces: Policy dated 2/25/02**

**Revised: 8/11/06**