



**THE GEORGE
WASHINGTON
UNIVERSITY**
WASHINGTON, DC

Responsible University Official:
Comptroller

Responsible Office: Comptroller’s Office

Last Revised Date: June 15, 2015

CATEGORIZATION OF EXTERNAL FUNDING

Policy Statement

This policy identifies and categorizes funding received from sources outside the university (External Funding) and identifies specific criteria for each category, including authorized signatories. Any External Funding that is not identified as a Gift or Vendor Contract falls under Sponsored Project Agreements and will be processed through the Office of Sponsored Projects within the Office of the Vice President of Research.

Reason for Policy

The identification and appropriate processing of External Funding is critical for the university to be compliant with the applicable regulatory requirements, terms and conditions established by agreements with external parties, the applicable accounting and financial reporting standards, and the timely and appropriate stewardship of donors. The purpose of this policy is to provide guidance regarding External Funding categories and to ensure items are processed correctly.

Who is Governed by this Policy

Faculty and staff

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Policy

CATEGORIZATION

There are three primary categories of External Funding, which are defined as:

- 1. Gifts:** Any award where there is clear philanthropic intent. Gifts do not include intellectual property or other compliance-related provisions listed within the description in 2. Sponsored Project Agreements nor stipulations that suggest a significant contractual relationship beyond areas of general use or naming. Philanthropic gifts and grants must be coordinated through the division of Development and Alumni Relations according to the type/source of contribution:
 - a) Office of Corporate Relations: gifts and grants from corporations
 - b) Office of Foundation Relations: gifts and grants from foundations¹ (other than family foundations)
 - c) Office of Planned Giving: deferred gifts
 - d) Office of Gift Records: all other contributions

- 2. Sponsored Project Agreements:** Sponsored Activities are defined as those activities, sponsored in whole or in part, by sources external to GW for which there is a stated expectation on the part of the sponsor for performance and/or reporting beyond good stewardship. Sponsored projects are managed by the Office of Sponsored Projects in collaboration with Principal Investigators, schools/centers/institutes, and Grants and Contracts Accounting Services. In addition, the Office of Sponsored Projects must process proposals that respond to a Request for Application, Request for Proposal, or other formal solicitation, and when the project is initiated by notice of award.

¹ Some foundation grants are managed as Sponsored Project Agreements as described in 2. Sponsored Project Agreements and are also included in fundraising totals by Development and Alumni Relations.

Agreements that include any of the following also are considered Sponsored Project Agreements in most cases:

- a) Required progress, technical, milestone, or final reports or other deliverables, excluding stewardship reports on gifts or routine updates to the awarding entity.
- b) Detailed financial reports to the grantor/sponsor at any time during the life of the project and/or the right to perform a detailed financial audit of the award expenditures.
- c) Requirement or stipulation that spending must align with proposed budgets as it creates a level of accountability beyond stewardship reporting.
- d) Federal government or federal pass-through funding, subject to audit and other compliance requirements issued by the Office of Management and Budget (excluding federal student financial aid programs handled through the Office of Student Financial Assistance).
- e) Funds that will be re-granted or subcontracted by the university to non-university entities.
- f) The use of animals, human subjects, recombinant DNA or hazardous agents requiring the review of the Office of Research Integrity and Compliance in the Office of the Vice President for Research;
- g) Intellectual property provisions, indemnification or hold harmless provisions, provisions containing restrictions on publication of research results, and/or other contractual provisions that place risk on the university.

3. Vendor Contracts: Vendor contracts govern transactions in which the funds are received in exchange for a good or service provided by the university, performed within normal business operations, and which is available in a competitive market (exclusive of tuition). Such fee-for-service transactions do not include philanthropic intent and are never treated as gifts. A vendor agreement is an agreement that clearly states the provisions and conditions of the work to be performed or services provided by the university. A vendor agreement generally will be accompanied with a statement of work and may contain provisions for progress reporting. The existence of additional terms and conditions as outlined in 2. Sponsored Project Agreements would result in the agreement being managed as a Sponsored Project Agreement.

CONFLICT RESOLUTION

In situations where it is unclear whether an agreement constitutes a Gift, Sponsored Project Agreement, or Vendor Contract, the determination will be made

by the Office of the Vice President for Research and the Office of the Vice President for Development and Alumni Relations, in consultation with the Comptroller's Office and the Office of the Senior Vice President and General Counsel, as necessary. When needed, escalations will be made to, and final authority rests with, the Executive Vice President and Treasurer, the Provost and Executive Vice President for Academic Affairs, and the President. Such determinations will be made in a timely manner to assure appropriate treatment of the applicable funds.

PROCESSING AGREEMENTS

1. Gifts: All Gifts to the university must be processed, recorded and receipted by the Office of Gift Records in Development and Alumni Relations. The Office of Planned Giving must be consulted prior to acceptance of deferred gifts such as testamentary commitments (bequests and legacies), charitable remainder trusts, charitable lead trusts, pooled income funds, gift annuities, and insurance policies, as many of these agreements are financial contracts that may contain conditions to be met by the donor and/or the university. See the [Gift Acceptance Policy](#) for complete details.
2. Sponsored Project Agreements: Proposals for sponsored projects are reviewed and submitted by the university's Authorized Organizational Representative in the Office of Sponsored Projects in the Office of the Vice President for Research. Submissions should be provided to the Office of Sponsored Projects at least five business days before the sponsor's due date. Sponsored Projects awards are made to institutions, rather than individuals. While the university is legally responsible for the stewardship of an award, the Principal Investigator is accountable to the sponsor, the university, and the school and department in which the program is conducted for all aspects of the program, whether the award is in the form of a grant, contract, or other award mechanism. In addition to bearing the responsibility for conducting the program in a manner consistent with professional standards, Principal Investigators must be aware of and observe all terms and conditions of the award and university policies, excluding stewardship reports on gifts.
3. Vendor Contracts: Vendor Contracts are reviewed and processed in accordance with the university's [Contract Process Guide](#).

AUTHORIZED SIGNATORIES

Signature authority for all agreements described above is governed by the university's policy on [Signing of Contracts and Agreements](#).

The university reserves the right to refuse external funds receipt of which is conditioned on functions or goals inconsistent with those of the university. Funds containing use restrictions that are inconsistent with the university's goals and objectives or that violate the law will be refused. The university will not accept external funds when acceptance would restrict the educational process or be inconsistent with other academic policies or priorities.

Related Information

[Required Information for Reporting Foreign Gifts and Contracts](#)

[A Brief Primer on Doing Business Abroad: U.S. Laws that Affect GW's International Activities](#)

[Anti-Money Laundering Policy](#)

[Conflict of Interest Policy for Non-Faculty Employees](#)

[Foreign Gifts and Contracts Disclosure Policy](#)

[Gift Acceptance Policy](#)

[Policy on Conflicts of Interest and Commitment for Faculty and Investigators](#)

[Signing of Contracts and Agreements Policy](#)

Contacts

Contact	Telephone	Email
Office of the Comptroller	571-553-4079	
Division of Development and Alumni Relations Office of Gift Records	202-994-6415	alumni@gwu.edu
Office of Sponsored Projects	202-994-6255	askovpr@gwu.edu

Document History

- **Last Reviewed Date:** April 14, 2017
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Who Approved This Policy

Leo Chalupa, Vice President for Research

Aristide J. Collins Jr., Vice President for Development and Alumni Relations

Louis H. Katz, Executive Vice President and Treasurer

Forrest Maltzman, Provost and Executive Vice President for Academic Affairs

Beth Nolan, Senior Vice President and General Counsel

This policy, as well as all [university policies](#), are located on the [Office of Compliance and Privacy](#)'s home page.