I. REFERENCES

1. University Regulations Revised No. 4, Special Services to Individuals and Organizations (APM 020) 6/23/1958;
2. University of California Contract and Grant Manual, Chapter 1, Academic Policy; Chapter 2, Proposal Submission and Award Acceptance/Administration;
3. UCLA Procedure 910.1, Approval and Submission of Contract and Grant Proposals;
4. Memorandum from Associate Vice President Lawrence C. Hershman and University Controller Joseph A. Pastrone, 7/28/1993;
6. Memorandum from Chancellor Charles E. Young, 9/24/1982;

II. BACKGROUND/PURPOSE

UCLA has traditionally accepted support from nongovernmental organizations. Such support takes many forms and has been used for a variety of purposes including fellowship and scholarship support, capital projects and research. This policy is intended to provide guidance in determining how to classify support from nongovernmental (i.e., nonprofit and for-profit) organizations awarded to The Regents of the University of California for research.

III. STATEMENT

For purposes of this policy support includes, but is not limited to, money, equipment, scarce research materials, knockout mice, etc. Support from nongovernmental organizations for research may be processed as gifts, grants, contracts or Material Transfer Agreements (MTAs) depending on the circumstances of each award. The criteria for determining which awards are to be processed as gifts are not rigid. Rather, the determination that a particular award is, or is not, to be considered a gift is a matter that requires thoughtful judgment.

A. In general, gifts are awarded irrevocably by individuals or organizations external to the University without any expectation of a quid pro quo and without any contractual obligations imposed upon the University. Gifts are nonrefundable and nontransferable to other institutions. An administrative fee, established by the Chancellor, is imposed on all gifts upon acceptance.
B. Support from nongovernmental organizations takes on the appearance of grants, contracts or MTAs when it includes requirements such as a specified period of performance; a stipulation that funds unexpended at the end of that period shall be returned to the donor; a specific scope of work statement to be followed; the reporting of expenses incurred on the project; maintenance of auditable financial records; disposition of intellectual property rights; or other conditions or obligations required of the University in order to receive the funds. Grants, contracts and MTAs are all awarded via written agreements.

1. The intent of most grants is the provision of “financial assistance” to support a specific project proposed by the University on behalf of an investigator. In most cases, only technical and financial reports are required; there are no other deliverables.

2. Contracts are more typically awarded in response to a call for proposals from a sponsor, commonly specify performance expectations, and in addition to technical and financial reports, obligate the University to provide deliverables on a specified timetable.

3. An MTA is entered into by a provider and recipient of research material. The intent of the MTA is to protect the intellectual property rights and other rights of the parties while permitting research with the material to proceed. The most common subjects of MTAs are biological materials and chemical compounds. MTAs may also be used to transfer other types of materials including, but not limited to, databases and software. The provider of the materials does not provide research funding for the project. The materials are not to be used in humans.

Gifts, grants, contracts for research and MTAs are all differentiated from sales and services activities in that they provide support for nonstandardized testing or other services. Sales and services activities involve the delivery of a standardized product or service at a pre-established, per-unit price that has been approved by the campus Policy Committee on Sales and Service Activities and Service Enterprises (POSSSE).

IV. RESPONSIBILITIES

Before the University can accept support from nongovernmental entities for specific research projects, the proposed project must be reviewed and approved at the department or school or college level, in accordance with established policy for the review of all proposed sponsored research projects.

Research support received from nongovernmental organizations should be reviewed at the department, or school or college level in accordance with criteria listed in Section III, above, and a determination made about appropriate classification of the award. Based on such determination, related documents should be forwarded either to Gift Services, in the case of gifts; the Office of Contract and Grant Administration (OCGA), in the case of contracts and grants; or the Office of Intellectual Property Administration, in the case of MTAs, for acceptance.

Gift Services is responsible for the acceptance of gifts from individuals and nongovernmental organizations. Accounting (including account setup) for gifts made to The Regents is handled by Corporate Accounting.
Gift Services will review gift materials, including Tender of Gift forms and other relevant documentation, submitted by departments or schools to verify that funds may be accepted as gifts.

In cases where the classification of a gift is in question, Gift Services will request that OCGA make a determination as to how the funds should be classified. Depending on the outcome of the review, OCGA will advise Gift Services as to whether they should complete the gift acceptance process or notify the Principal Investigator and/or the PI’s Departmental Business Office about redirecting the paperwork to facilitate acceptance of the support in another manner.
Office of Research Administration through two of its component units, the Office of Contract and Grant Administration (OCGA) and Extramural Fund Management (EFM), is responsible for the acceptance and administration of contract and grant funds awarded in support of research by nongovernmental (nonprofit and for-profit) and government sponsors.

Office of Intellectual Property Administration is responsible for the negotiation and execution of MTAs.

Issuing Officer

/s/ Roberto Peccei

Vice Chancellor for Research

Questions concerning this policy or procedure should be referred to The Responsible Department listed at the top of this document.