

Sacramento State Incoming Funding Process/Policies

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| Guidelines | Guidelines for Pursuing Gifts, Grants, Contracts, Sponsorship, & Events |
| Effective date | January 2025 |
| Updated | November 2024 |

Background and Context

Campus can receive funds in multiple ways. This policy helps define the types of funds receivable and which department on campus is the responsible party for overseeing types of revenue. The four primary offices involved in the pursuit or receipt of funds are the Offices of Research, Innovation, and Economic Development (ORIED), UEI Sponsored Programs Administration (SPA), the Office of Advancement/Development, and Financial Services.

- **ORIED:** Assists faculty and staff in seeking externally funded grants and contracts to support their research, scholarly, programmatic, and creative activities.
 - **SPA:** Supports the sponsored activity efforts of University faculty and staff through the administration of funded grants and contracts. As a department of University Enterprises, Inc. (UEI), SPA provides services such as account management, expenditure processing, and compliance matters pertaining to the award and California State University requirements.
 - **University Advancement:** Pursues and accepts gifts and philanthropic donations in support of the broad educational mission of the institution.
- Financial Services offices:** Ensures appropriate internal controls are operating for the safeguarding of assets and the reliability of financial reporting. Establishes and executes accounting processes to maintain appropriate records of financial transactions and balances, in accordance with CSU policies, standards, and definitions.

Typically, the line between gift, grant, contract, and sponsorship is made obvious by the application guidelines, the intent of the proposal to the funder, the documentation provided to the donor/funder, or the case for support being made to the donor. For instances when funds are not clearly defined as one or the other during the application process, additional coordination may be required to ensure that the institution's compliance and reporting obligations are addressed. The following guidelines aim to clarify roles and responsibilities to aid in the pursuit of the revenue determination.

Mandates and Definitions

Philanthropic Gifts: A contribution received by an institution for either unrestricted or restricted use in the furtherance of the institution for which it has made no commitment of resources or services other than, possibly, committing to use the gift as the donor specifies. The contribution is a nonreciprocal transfer in that there is no implicit or explicit statement of exchange, purchase of services, or provision of exclusive information. Gifts are typically tax deductible for the donor. It is the University's practice to process gifts through the University Foundation at Sacramento State.

Types of Gifts: Cash, Gifts in Kind (items or services), and appreciated Assets,

Premium/Benefit: If an individual/company receives something in return for the contribution, the payment amount is reduced by the fair market value of all benefits given, according to U.S. Internal Revenue Service regulations. Benefit transactions are recorded in the University's books not under the University Foundation at Sacramento State.

Sponsored Agreements: According to Policy 15202482 and Policy 16577430, sponsored agreements are grants, contracts or other agreements from an external entity (Sponsor) to the campus. Sponsored Agreement proposals are processed through ORIED and once awarded the funds are typically managed by SPA.

Grants: are defined as a financial contribution to a Recipient to carry out an approved project or activity. A Grant generally anticipates no substantial programmatic involvement of the Sponsor with the Recipient during performance of the project or activity, but Sponsors usually request an accounting of the use of funds and of results of the project or activity. The University or Auxiliary may commit resources or services as a condition of the Grant. Grant proposals are processed through ORIED and once awarded the funds are typically managed by SPA.

Revenue Contracts: an agreement between the University or Auxiliary and a Sponsor to provide an economic benefit, generally in the form of services, for compensation. The agreement is binding and creates a quid pro quo relationship between the parties. Contract negotiation are processed through ORIED and once awarded the funds are typically managed by SPA. *Athletic Contracts are exempt from this process.

Revenue Sponsorship: a business strategy that involves generating income by offering promotional opportunities and benefit to sponsors who pay for the opportunity. These items are processed through the University and not under the University Foundation at Sacramento State. This includes Sponsorship for fundraising activities.

Internal Sponsorship: departments sharing costs for events. Must be completed after an event and cannot cover more than was spent. Also known as Expenditure or Cost Recovery Transfers.

External Expense Sponsorship: Sac State sponsoring outside events. This should be rare and the source of funds must allow for this. Most State funds will not allow for this. Please review spec sheets and discuss with Accounting Services before agreeing to sponsor.

Program: This is the department or educational program. Ex. Nursing, Guardian Scholars, Anchor, Athletics, it is not strategic plan initiatives unless they are tied to a program. For example, funds received by a program go toward the operations of the program.

Public User Fees: Those charges made to persons/groups other than students of the University for services provided in conjunction with the normal operations of University departments. A University department that is providing said services to the public must charge a user fee that covers the cost of services, facilities or materials per Education Code 89700(a).

Campus Consultation Protocol/Process

Departments applying for grants or contracts start by reaching out to ORIED and filling out the [Proposal Form](#). ORIED will validate the process and confirm that the funds are allowable for campus acceptance. If ORIED determines that the funds are philanthropic, they will direct the applicant to University Advancement

and the appropriate Director of Development.

Departments seeking donor funding/gifts start by reaching out to University Advancement.

University Advancement will review funds to validate that the funds are truly philanthropic and do not include revenue or contain elements of grant funding. If the funds include revenue, Procurement and Contracts Services will be notified. Procurement and Contracts Services will then help the department validate it has the correct process and procedures in place to take the funds. If the funding is more grant-like in nature, University Advancement will direct the request to ORIED.

Departments hosting an event to bring in funding should start with the event form [here](#). There is a separate policy governing events and it can be found in policy stat.

The Chart in this document helps define types of funding/revenue.

Decision Chart

For instances when funds are not clearly defined as one or the other during the application process:

| CATEGORY of INDICATOR | PHILANTHROPIC GIFT | SPONSORED PROJECT INDICATOR (i.e. grant or contract) | REVENUE |
|------------------------|---|--|---|
| Source of Funds | Individuals, Foundations Non-profit organizations Corporations Corporate foundations Donor Advised Funds Anonymous, Estates | Government agencies (federal, state, local) Foundations Non-profit organizations Corporations Corporate foundations Other universities | Individuals Foundations Non-Profit organizations Corporations Corporate Foundations Other Universities |
| Intent/ Purpose | The donor may specify an area of interest or a goal to be funded. Funds are provided in the spirit of philanthropy/charitable purpose with no personal gain. Funded activities may include endowments, scholarships, capital projects or general student financial assistance. | The sponsor specifies how the funds should be used as outlined in the supporting documentation (i.e. proposal, award letter, grant agreement). Generally, the sponsor provides funding with the intent to accomplishing specific project aims or activities. Activities to be performed may include research, instruction, curriculum development, training or public service. | The Sponsor expects a tangible benefit, usually publicity or marketing, but can include tickets or other items. |
| CATEGORY of INDICATOR | PHILANTHROPIC GIFT | SPONSORED PROJECT INDICATOR (i.e. grant or contract) | REVENUE |

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| Published Proposal Solicitations | Proposals are generally the result of a cultivated relationship. In some cases they may be the result of a published solicitation or open call for proposals/applications. | Proposals are generally developed in response to a published solicitation, request for proposals (RFP), or Request for Applications (RFA) or other open call for proposals/applications. In rare circumstances proposals may be a result of an invitation from the sponsor or unsolicited submission. For these proposals a proposal detailing specific measurable activities and a detailed, line-item budget is generally required. | Proposals are generally a result of a call to action from the campus department. |
| Value Exchange | The donor receives no exchange for the funding provided other than recognition. No deliverables are provided to the donor in exchange for the funding. However, a brief summary of the results of supported activities and/or a general statement of how funds were used may be provided. | The sponsor is entitled to receive value, which may include detailed programmatic and/or financial reports, data, results, intellectual property (IP) rights, publication rights, etc. | The Sponsor expects tangible items in return for their funds. This may be equal to or less than the amount of sponsorship. |
| Scope of Work (SOW) | The donor expresses support of the general goal of an activity with no expectation on specific implementation. | The sponsor approves the proposed implementation plan set forth in the proposal and requires notification of changes in the scope of work. | The Scope of work includes the sponsors tangible benefit as well as the proposal from the department on what will be accomplished. |
| Budget | There is no requirement for a line item budget or restrictions on the use of the funds other than it must be consistent with the stipulations of the donor. F&A/Indirect Costs are typically not included in the request, but an administration fee or some other form of reimbursement for administration is often appropriate (ex. 1-7% admin fee). | The request for funding includes a detailed, line-item budget describing how the funds will be used, and there are often specific restrictions on how the funds can be used. Per Chancellor's Office and University policy, F&A/ Indirect Costs at the approved campus rate are included on all proposals except when the sponsor mandates a lower rate. | A Budget may or may not be included but a listing of the sponsor benefits will be included with the Fair Market Value. |
| Effort/Personnel | Commitment of effort by specifically named university personnel (faculty, staff or MPP) cannot be a component of the budget. | Effort by specifically identified university personnel (faculty, staff, MPP) is outlined in the proposal budget and must be tracked and reported to UEI and the University. | Commitment of effort by specifically named university personnel (faculty, staff or MPP) are not included. |
| Terms for Use of Funds | Funds can be restricted or unrestricted based on donor intention. Funds are not required to be held separately from other gifts. Funds are applied to accounts based on donor intention documentation (contact reports, online giving portals, gift agreements, memo lines, etc.). | Funds are restricted for a specific, detailed purpose and must be held in a separate account. Funds are governed by funder guidelines and policies, and include certifications and formal terms and conditions. Use of funds requires compliance review (e.g. IRB, IACUC, FCOI, etc.) | Funds are not required to be separated, but will be in the same place as expenses for the project being funded. |
| CATEGORY of INDICATOR | PHILANTHROPIC GIFT | SPONSORED PROJECT INDICATOR (i.e. grant or contract) | REVENUE |
| Excess Funds | Unspent funds do not have to be returned. | Unspent funds must be returned to the sponsor. <i>Exception: fixed price agreements.</i> | Unspent funds become revenue or can be transferred to a foundation account. |

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| Penalty for Non-Performance | No penalties are incurred for failing to use all the funds. | There may be penalties for failing to use the funds or deliver items or meet project goals on a timely basis. | No penalties are incurred for failing to use all the funds. |
| Proposal Process | Initiated by donor, advancement staff or other University personnel. If submitting to a private foundation or a corporation, and the project meets the definition of a grant, notify the Senior Research Development Officer in ORIED to the submission. | Initiated by faculty member or other university personnel working in conjunction with ORIED. If submitting to a private or corporate foundation or a corporation that falls within the Development Office's funding priorities, notify the Director of Corporate and Foundation Relations of the submission. | Initiated by faculty, staff, students, and external partners. |
| Award Document | Acknowledgement Letter Gift Agreement Proposal | Award Letter/Notice of Grant Award Grant Agreement Contract Subaward/subcontract Cooperative Agreement | Sponsorship agreement, other revenue agreement, or fundraising event flyers |
| Authorizing signature | Signature by University Advancement official, Dean or Director, or the University President acknowledges intent to receive funds by donor. If a development activity results in a sponsored agreement, the ORIED must be alerted and appropriate University signatures must be obtained in accordance with Policy 16577430 | Proposal: Signatures of the president's designee (i.e. AVP for Research, Innovation, and Economic Development) and the chief financial officer (CFO/VP for Administration and Business Affairs) must be obtained prior to submission of grant or contract proposals to a sponsor in accordance with Policy 16577430. Award: grant award documents require the signature of the UEI Director of Sponsored Programs Administration I binding UEI to the terms and conditions of the proposed project in accordance with Policy 16577430. | Signature by appropriate department DOA and Procurement and Contracts. |
| Period of Performance | Typically, no time period or end date is associated with the use of funds. | Specific start and end dates are outlined for conduct of the project or activity. | Specific to the event or project |
| Reporting | The institution has little or no obligation to report to the donor on how the gift is used or invested. The institution is not prevented from providing such reports, but rather uses the opportunity for donor stewardship. Required reporting is limited to details of how, when and to whom funds were disbursed as well as statements of earning when applicable. | Programmatic, technical and/or detailed fiscal reporting is required, and requirements for retention of expenditure records may also be specified. | No reporting required, except for University event and tax reporting when necessary. |

Campus policy references:

Administration of Sponsored Projects at Sacramento State - <https://sacramentostate.policystat.com/policy/11443730/latest/>
Fundraising Projects, Guidelines for Review and Approval of - https://sacramentostate.policystat.com/policy/11300068/latest
Gift Acceptance, Responsibility and Procedures - https://sacramentostate.policystat.com/policy/11300070/latest
Athletic/Intercollegiate – Contracts and Agreements - https://sacramentostate.policystat.com/policy/11692350/latest
Public User Fees - https://sacramentostate.policystat.com/policy/11445055/latest

Systemwide Policy references:

International Agreements - <https://calstate.policystat.com/policy/11681258/latest>

University Endorsements - <https://calstate.policystat.com/policy/14721834/latest>

Sponsored Programs Administration - <https://calstate.policystat.com/policy/16577430/latest>**Contacts:**

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