

Procedures for Acceptance and Administration of Private Sector Funding for George Mason University

These procedures support George Mason University Policy 4008, Private Sector Funding for George Mason University. These procedures apply to all George Mason University (Mason) employees, students, and programs financially supported by gifts, grants, contracts, or cooperative agreements from private sector entities (for-profit or non-profit), as well as those at entities that use the Mason name or logo in seeking outside funding, at all Mason locations, owned or leased, for activities conducted on or off campus. For Definitions, see University Policy 4008.

As stated in Policy 4008, Mason's Office of Sponsored Programs (OSP) is the office responsible for administering sponsored project support of Mason from state, local, national and foreign governments, as well as non-profit and for-profit organizations. Mason's Corporate and Foundation Relations (CFR) office within the division of University Advancement and Alumni Relations works directly with the academic colleges, centers, and non-academic units to coordinate philanthropic gifts and donations from both corporations and foundations. The George Mason University Foundation, Inc. (GMUF) accepts and administers gifts and donations for the use and benefit of Mason.

When applying for or accepting private funding in support of Mason academic programs from corporations, foundations, or other non-federal sources, CFR and OSP work together to determine whether the funding opportunity should be submitted, awarded, and administered by OSP or GMUF.

SUBMISSION OF PROPOSALS TO THE PRIVATE SECTOR

If the anticipated funding will be a gift or donation, the submitting individual will coordinate with the college or unit Director of Development and CFR (cfradmin@gmu.edu). For units that do not have a Director of Development, please contact CFR for assistance. Proposals to be submitted by GMUF must be submitted under the signature of the appropriate GMUF personnel and require review and/or consultation with CFR prior to submission. *Note: only the President and Chief Financial Officer of GMUF are authorized to sign required documents for submission or acceptance of funding on behalf of GMUF. Under no circumstances should a faculty member, administrator, or other employee sign to submit or accept funding on behalf of Mason or GMUF.*

If the anticipated award will be a grant, cooperative agreement or contract, the submitting individuals will access the OSP website to complete a request for proposal assistance at <https://ospproposal.gmu.edu/Default.aspx>. A Grants Administrator will work with the faculty member to ensure proper approvals are received.

For help in determining whether funding will be a gift, true grant, or contract, please see Attachment A. If there are additional questions please contact CFR, OSP, or your unit Director of Development.

Determining Administrative Entity for Private Sector Projects

OSP and CFR will jointly determine whether the proposal should be submitted and/or the funds awarded and administered by OSP or GMUF; as an independent organization, GMUF reserves the right to determine whether funds will be accepted in accordance with its own policies and procedures. Guidelines for making such determination are outlined in *Attachment A, Guidelines for Determining Administrative Entity for Private Sector Projects*. Proposal submission procedures are summarized as follows:

1. If OSP initiates a submission, the Principal Investigator (PI) works with OSP staff to review the submission guidelines. Routine OSP procedures will be followed.
2. If GMUF initiates a submission, the PI or development officer will work with CFR to review the proposal/ask. CFR will assist with obtaining required signatures from an authorized officer of GMUF prior to submission. *Faculty, staff, and administrators are not authorized to sign on behalf of GMUF.*
3. If a proposal is being prepared and submitted by OSP on behalf of GMUF, OSP staff and CFR will coordinate with GMUF accordingly.

If a funding notice or payment is received by either OSP or GMUF that either has not yet been classified for administration by OSP or GMUF, or appears to be inappropriately classified, the receiving office will notify the other and confer to determine the appropriate entity to handle the funds. OSP will deposit all payments made out to Mason in a holding account. Agreements will not be signed until a determination has been made as to who will administer the project. If there is insufficient information to make a determination from the funding materials, OSP or CFR will contact the project PI or development officer to obtain the proposal guidelines and to confer on the classification of the funding. OSP or GMUF may also contact the funding source for further guidance and, as appropriate, will discuss such contact with the PI before it is made.

ADMINISTRATION OF AWARDS TO MASON

Funds accepted by Mason will be administered in the same manner as all other sponsored projects accounts according to established Mason policies and procedures. See [University Policy 4006](#).

ADMINISTRATION OF AWARDS TO GMUF

Depending on the project guidelines and other factors, awards to be administered by GMUF are of three types, as follows:

- 1. Type 1: Non-research gift or donation administered entirely by GMUF but linked OSP fund established for certain expenses.**
 - a. GMUF accepts the funding, and all funds are administered and distributed by GMUF.
 - b. All checks should be made payable to George Mason University Foundation, Inc., and must be accompanied by a deposit slip designating account name and number. If a new account must be established, the PI must submit a request to the Controller of GMUF. Account paperwork, including signature cards will be prepared by GMUF and routed for appropriate signatures.
 - c. *George Mason University Foundation Voucher* is used for requesting payment of expenses. A current signature card must be on file. Vouchers should be submitted to GMUF with the original receipt or invoice attached. Checks will be mailed to the payee unless the PI requests otherwise. For more information, please see [George Mason University Foundation, Inc. Disbursement Procedures and Instructions](#).
 - d. The PI will have primary responsibility to ensure that the funds are expended in accordance with the intentions of the donor.

- e. Unit submits required reports to donor. GMUF assists with financial reporting as necessary.
- f. A portion of the funds may be deposited in a Mason OSP account to allow the funding of activities that are not practical for GMUF administration (e.g., paying salary to state employees). The process for payment of funds to OSP is:
 - i. The PI and/or Research Administrator completes and submits GMUF Linked Fund Request Form (see Attachment C) and OSP creates a sponsored projects fund in the PI's name.
 - ii. The PI completes and submits the *Agreement For Transfer of Funds from George Mason University Foundation, Inc. to George Mason University* (Attachment B) signed by the PI and Mason OSP representative.
 - iii. Once the completed GMUF Transfer Form is received by GMUF, the requested GMUF funds will be transferred to the restricted sponsored fund through the Mason cashier's office.

2. Type 2: Sponsored program (grant, contract, cooperative agreement) with guidelines that require it be issued to a 501(c)(3) not-for-profit entity but will be administered by OSP. All funds are transferred to an OSP fund.

- a. GMUF accepts the funding, and funds are deposited in the appropriate GMUF account.
- b. OSP creates a sponsored project fund for the funding.
- c. The funds are transferred from GMUF to Mason.
- d. OSP submits financial reports (and coordinates as needed with GMUF). PI submits required technical reports.
 - a. At times, GMUF may pay expenses, and then invoice OSP for reimbursement.
- e. Unexpended funds at the end of a project will be handled in accordance with the expectations of the donor. In the absence of such expectations, such funds will be deposited in a Mason pool account, as appropriate, in the name of the PI.

3. Type 3: Research gift or donation administered entirely by GMUF but a linked OSP fund is established for certain expenses.

- a. GMUF accepts the funding, and all funds are administered and distributed by GMUF.
- b. All checks should be made payable to George Mason University Foundation, Inc., and must be accompanied by a deposit slip designating account name and number. If a new account must be established, the PI must submit a request to the Controller of GMUF. Account paperwork, including signature cards, will be prepared by GMUF and routed for appropriate signatures.
- c. A *George Mason University Foundation Voucher* is used for requesting payment of GMUF expenses. A current signature card containing the signatures of those authorized to disburse funds from the account must be on file with GMUF before checks can be issued. Vouchers should be submitted to the GMUF office with the original receipt or invoice attached. Checks will be mailed to the payee unless PI requests other arrangements. For more information, please see George Mason University Foundation, Inc. Disbursement Procedures.

- d. The PI will have primary responsibility to ensure that the funds are expended in accordance with the intentions of the donor.
- e. A portion of the funds may be deposited in a Mason OSP account to allow the funding of activities that are not practical for GMUF administration (e.g., paying salary to state employees). The process for payment of funds to OSP is:
 - i. The PI and/or Research Administrator completes and submits GMUF Linked Fund Request Form (see Attachment C) and OSP creates a sponsored projects fund in the PI's name.
 - ii. The PI completes and submits the *Agreement For Transfer of Funds from George Mason University Foundation, Inc. to George Mason University* (Attachment B) signed by the PI and Mason OSP representative.
 - iii. Once the completed GMUF Transfer Form is received by GMUF, the requested GMUF funds will be transferred to the restricted sponsored fund through the Mason cashier's office.

Table 1: Summary of Award Types to be Administered by GMUF

	Type 1: Non-research gift or donation administered entirely by GMUF but linked OSP fund established for certain expenses.	Type 2: Sponsored Program (grant, contract, cooperative agreement) that must be issued to 501(c)(3) but administered by OSP. Full award is transferred to OSP fund.	Type 3: Research gift or donation administered entirely by GMUF but linked OSP fund established for certain expenses.
Award Acceptance	GMUF accepts the funding	GMUF accepts the funding	GMUF accepts the funding
Funds received by GMUF	Appropriate paperwork including deposit slip designating account name and number submitted to the GMUF Controller by the PI/Academic Unit.	GMUF determines the appropriate account to deposit award funds.	Appropriate paperwork including deposit slip designating account name and number submitted to the GMUF Controller by the PI/Academic Unit.
Responsible for Administration	GMUF	OSP	GMUF
Transfer of funds from GMUF account to OSP linked fund	Yes, for certain type of activities. Use GMUF Linked Fund Request Form to establish a new linked fund. Use GMUF Transfer Form to identify amount to transfer.	Yes, full award amount. Use GMUF Transfer Form.	Yes, for certain type of activities. Use GMUF Linked Fund Request Form to establish a new linked fund. Use GMUF Transfer Form to identify amount to transfer.

Cost Allowability	PI (Academic Unit designee) will have primary responsibility to ensure funds are expended in accordance with funding requirements.	PI is responsible with OSP oversight as described in Policy 4006.	PI (Academic Unit designee) will have primary responsibility to ensure funds are expended in accordance with funding requirements.
Reporting Requirements	Unit submits required reports to donor. GMUF assists with financial reporting as necessary.	OSP submits financial reports (and coordinates as needed with GMUF). PI submits required technical reports.	Unit submits required reports to donor. GMUF assists with financial reporting as necessary.

FACILITIES AND ADMINISTRATIVE (F&A) COSTS

For a sponsored program or sponsored research from a private sector entity, the budget will include F&A (or indirect) costs unless the funding entity has a written policy or history of practice that precludes payment of such costs and Mason is willing to accept the funds with this restriction.

Current-use gifts paid to GMUF incur an administrative fee, currently 6%. Units may agree to fund the administrative fee from other unrestricted resources.

REPORTING

OSP will report all submissions and funding administered by OSP in its quarterly and annual reports to the university community. OSP also provides external reports to sponsors and other appropriate entities. GMUF will report appropriate Foundation and Corporate awards both externally and internally, e.g., campaign reports or reports to external entities as necessary, in collaboration with University Advancement (to include CFR and unit Directors of Development as needed).

DATE: February 1, 2019

Attachment A

George Mason University Guidelines for Determining Administrative Entity for Private Sector Projects

OSP and CFR use the following indicators to review a proposal and make a determination as to which shall submit the proposal and which entity shall administer the funds. In some cases, it will not be possible to make the final determination of the appropriate administrative entity until both OSP and GMUF have had the opportunity to review the funding mechanism. No single indicator is, by itself, determinative.

It is common for funds to be accepted by GMUF and the administration of all or part of the funds transferred to OSP. For example, many private corporations will only fund a registered 501(c)(3) nonprofit organization, which is the basis for GMUF's federal tax exemption, yet the indicators attached to the funding make it a grant. In this case, GMUF would accept the funds, and then transfer the entire amount of the funds to OSP for administration. In another example, a gift may be accepted by GMUF, but includes personnel costs. Because GMUF does not administer state payroll, only the portion of the gift that is earmarked for payroll would be transferred to OSP to establish a linked fund. Oversight and administration of the linked fund is the responsibility of the academic unit.

The following are indicators that funding should be administered by GMUF:

- The funding comes from, or has been directed by, an individual.
- The funding is from a non-governmental source and is for capital improvements or endowment.
- The donor specifically intends the funding to be a charitable gift as reflected by the absence of "quid pro quo."
- The donor imposes broad restrictions on use of the funds, and these restrictions serve to direct the funds to areas such as scholarships, infrastructure, or general research.
- The donor intends the gift to be irrevocable and, therefore, relinquishes the rights to reclaim the gift or any unused remainder.
- The donor does not require formal financial accounting and there is no requirement to return unexpended funds. However, a report to the donor on the utilization and/or impact of the gift may be requested, and this report may address expenditures and fund balances. Such a report does not negate gift intent.
- The donor makes a gift for the benefit of Mason without expectation of direct economic benefit or other tangible benefit. Indirect benefits such as tax deductions, business or personal goodwill derived from close association with Mason, and miscellaneous benefits derived from donor club status are not sufficient to negate gift intent.
- The funding is for an event with the benefit being *de minimis* relative to the funds received; i.e., a substantial gift component is associated with the funding. Examples include but are not limited to golf tournaments, award dinners, and galas. For such events, GMUF will work with Mason to determine who should manage the gift.

The following are indicators that funding should be administered by OSP:

- The funding is from a private sector sponsor that provides a subcontract or subgrant that contains federal or other governmental “flow down” provisions.
- The funding is from a private sector sponsor (including individuals) for the work of a specific faculty member(s), and the work is characterized by contractual obligations (such as milestones or project reports) that must be accomplished within a specific time and budget framework.
- The sponsor places restrictions on publication of data from studies supported by the funding. This would include restriction of publication or requirement for prior review or approval by the sponsor.
- The sponsor wishes to obtain proprietary rights in data or inventions resulting from activities conducted under the agreement. This would include any proprietary rights and/or references to licensing arrangements for patents or copyrights developed as a consequence of the activity.
- Studies are to be conducted on substances/products/process, etc., that are owned by the sponsor.
- The funding comes from a corporation’s R&D or other operating budget and is not perceived as having charitable intent. It should be expected that the characteristics of the resulting grant or contract language would reflect this intent.
- The sponsor hopes to gain direct economic benefits as a result of the activity to be conducted.
- The sponsor places restrictions on the use of funds or retains the right to revoke the funding. Examples of such restrictions include requirements of prior sponsor approval for deviation from originally approved budget items and disallowance of certain costs, requirements for payment on a cost reimbursement basis, or audit requirements.
- The funding instrument requires that any unused funds be returned to the sponsor.
- The funding instrument requires regular financial reports on the use of funds, and/or status reports.
- The sponsor has participated in determining the “statement of work” to be performed or services to be provided on the project.
- The sponsor requires external oversight of performance on the project, such as a technical monitor.

Attachment B

GMUF Transfer Form: <http://osp.gmu.edu/post-award/forms/>

Attachment C

GMUF-linked Fund Request Form: <http://osp.gmu.edu/post-award/forms/>