

Managing External Funds at The University of Texas at Austin

The Office of Sponsored Projects (OSP) and the University Development Office (UDO) are responsible for accepting funds—gifts, grants, and awards—to UT Austin from external sources. How do you know whether to route your proposal through OSP or UDO? Broadly speaking, OSP manages funding from government agencies, and UDO manages gifts from individuals. Either office may handle proposals to corporations and foundations depending on several factors, listed below. Please note that more than one factor alone may determine which office handles a proposal and any funding received.*

University Development Office	Office of Sponsored Projects
<u>INTENT</u>	
Gift is motivated by charitable intent and does not include a commercially valuable return to the funder (quid pro quo). The language used—gift, grant, contract, or award—does not necessarily reflect intent.	Award may be either charitable or a quid pro quo exchange between the university and the sponsor.
<u>PURPOSE</u>	
Gift supports a restricted or unrestricted purpose—including unrestricted support for research—or activities such as endowment, scholarships, fellowships, construction, and general support of outreach and service programs.	Award supports a specific statement of work, or a specific research project with a timeline and a defined set of tasks and milestones.
<u>RISK ITEMS</u>	
Project does not include research risk items.	Project's scope of work may include research risk items (e.g., human subjects, radioactive materials, recombinant DNA, etc.).
<u>INTELLECTUAL PROPERTY</u>	
Donor relinquishes intellectual property and data rights to university.	Sponsor may negotiate access to data, primary records, patent or licensing rights, and ability to audit data collection.
<u>DELIVERABLES</u>	
Project promises few, if any, deliverables other than stewardship reports.	Sponsor requires specific deliverables (e.g., technical reports, evaluations, assistance, training).
<u>REPORTING</u>	
Gift requires stewardship and communication as a courtesy to the donor (e.g., progress reports, reports of expended funds and balance).	Award requires detailed financial and other reports (e.g., scientific reports, percentages of effort, and financial reports in sponsor-specified format).
<u>RETURN OF FUNDS</u>	
Gift is irrevocable, and return of unexpended funds is usually not a requirement or is negotiable. (IRS rules allow unexpended funds to be returned—clawback provision—without jeopardizing the gift's charitable status.)	Award is revocable, and sponsor requires return of unexpended funds.
<u>CONTROL OF FUNDS</u>	
Donor does not control expenditures.	Sponsor requires adherence to an itemized budget and must approve variances.
<u>ACCOUNTING</u>	
Gifts for the same purpose may be combined into one fund. In such cases, financial reporting is handled by the department or program.	Awards and sub-awards must be separately budgeted and accounted for.
<u>PUBLICITY</u>	
Donor may request the right to review and approve press releases or publicity announcements.	Sponsor requires the right to review and approve research reports and publications.

* The question of whether an award is charitable and therefore countable as a "gift" is not determined by which UT office manages the funds. Both OSP and UDO accept charitable contributions, which **the IRS defines as voluntary donations to a tax-exempt organization exclusively for religious, charitable, scientific, literary, or educational purposes**. OSP also handles non-charitable transactions, which are exchanges having potential commercial benefit or profit back to the funder that do not support charitable purposes.