

**TO:** Faculty

**FROM:** Mohamed Abousalem, Vice President for Research and Innovation (R&I)  
Theresa Davis, Vice President for University Advancement (UA)

**SUBJECT:** Streamlining Management of Corporate and Foundation Funding - UPDATE

**CC:** Vincent J. Del Casino Jr, Provost and Senior Vice President for Academic  
Affairs College Deans  
Andrew Exner, SJSU Research Foundation Executive Director  
Daniele LeCesne, SJSU Tower Foundation Chief Operating Officer

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Due to the varied – and sometimes overlapping – paths by which funding from corporations and foundations are solicited, it can be unclear whether the awarded funds fall under the purview of the San José State University (SJSU) **Tower Foundation (TF)** or the **Research Foundation (RF)**. In an effort to clarify and streamline the current process of securing and administering funding from private sponsors and to facilitate a more cohesive and consistent experience for faculty seeking such funding and for the funders themselves, the divisions of Research and Innovation and University Advancement issued the original version of this memo in February 2020 to communicate the agreed operating model that defined the TF and RF respective roles and responsibilities.

Since then, we have identified Competitive Fellowships (short-term monetary faculty awards) as a special category of funding that is available to faculty in support of their academic pursuits. As we continue to grow the SJSU research enterprise through increased funding, we will focus on competitive fellowships as a strategic platform for faculty to establish and grow their scholarship. To that end, the grant and award support for competitive fellowships is now the responsibility of RF and the Research Development unit within the Division of Research and Innovation will help build faculty capacity to apply and be awarded these fellowships.

This updated version of the joint R&I and UA memo is to document this change of responsibility in regards to competitive fellowships.

## **DEFINITIONS**

The following definitions are intended to clarify the university's interpretation of common terms which funders may use interchangeably:

- **Gift** – a philanthropic donation in which the donor does not expect or require anything of value in return other than recognition and/or reporting on outcomes. Gifts can be unrestricted or restricted to a specific use or purpose.

Gift Example: A \$50,000 payment for student success programming with the requirement of donor recognition and the submission of annual financial statements reporting on the use of funds and outcomes achieved.

- **Grant** – a sum of money given by an organization for a particular purpose that obligates the institution to certain activities and outcomes required by the sponsor but not directly benefiting

the sponsor. Grants that obligate the institution, faculty, and/or students such as publicly published data and constraints on publishing and/or intellectual property are considered “non-philanthropic grants.” Items such as budget outline, progress reports, financial statements, or the return of funds do not necessarily qualify the grant as “non-philanthropic.”

Non-Philanthropic Grant Example: A \$20,000 payment to support the hiring of student assistants and supplies in support of a faculty-led research to develop and validate a specific technology. The funder does not require recognition or intellectual property rights but requires research results to be placed in the public domain.

Philanthropic Grant Example: The same grant example above but does not require research results to be placed in the public domain.

- **Competitive Fellowship** - a short-term monetary non-philanthropic or philanthropic award, sponsored by a specific organization through a competition, awarded to a faculty member to support their academic pursuits. Competitive fellowships generally are designed to support a range of activities, including advanced research/scholarship within a specific field or particular issue; developing a new community-based organization or initiative; training and reflection to support the fellow's growth; and opportunities to further explore a particular field of work. An [ongoing list of competitive fellowship examples](#) (not exhaustive) will be maintained on the Office of Research and RF websites.

Competitive Fellowship Example: A \$30,000 award to support a faculty member's ability to focus on RSCA for a full academic year. The award is paid in two \$15,000 installments to the University. Because scholarly benefits and prestige will accrue to the institution, the funder expects the University to provide the faculty fellow's health and benefits coverage and to supplement the award to ensure that the fellow receives their full academic year salary.

- **Contract** - a legal contract for a fixed amount of funds for a specific deliverable by an agreed-upon deadline. A donor-recognized gift or a grant may be recognized institutionally as a “contract” if the sponsor/donor requires rights to intellectual property or deliverables that directly benefit the sponsor/donor.

Contract Example #1: A \$40,000 payment to support the hiring of student assistants and supplies in support of a faculty-led research to develop and validate a specific technology. The University will be able to use the resulting technology for educational and research purposes, but the donor has first right to use the technology for commercial purposes. The donor requires budget outline, regular reporting, and financial statements and has limited rights to the intellectual property but no control on the day-to-day project activities.

Contract Example #2: A \$40,000 payment to support the hiring of student assistants in support of a faculty-led community program that delivers services to community members through an educational and training program for students. The service delivered by the program is part of the donor's business or services to the community and is regularly funded by the donor as part of its business, irrespective of whether it is delivered by SJSU or not. Donor requires budget outline, regular reporting, and financial statements.

## RESPONSIBILITIES

All **non-philanthropic grants, non-philanthropic and philanthropic competitive fellowships, and contracts**, including agreements involving faculty and student work and/or work product, shall be the responsibility of the **RF**. All **gifts** and **philanthropic grants** (as defined above) shall be the responsibility of the **TF**.

**RF has primary responsibility for submitting and administering non-philanthropic grants, non-philanthropic and philanthropic competitive fellowships, and contracts from external funding sources.** These include local, state, and national governments as well as foundations and corporate partners. Funding proposals submitted in response to a request for proposals or other formal solicitation for non-philanthropic grants, competitive fellowships, and contracts are the responsibility of RF. RF also supports the sponsored activity efforts of university faculty and staff through the administration of funded non-philanthropic grants and contracts such as account management, expenditure processing, and compliance matters pertaining to the sponsoring agency, Federal, State, and California State University requirements.

**TF has primary responsibility for the administration of gifts, philanthropic grants, fundraising, and other development activities that result in philanthropic gifts to SJSU.** Gifts from corporations and foundations are the responsibility of the TF. For further clarity, payments made to the University for a general or specific purpose (e.g. research area, innovation program, or otherwise) but without specific work deliverables or obligations from the University are generally considered “purposed gifts” or “restricted gifts” and will continue to be the responsibility of TF. Payments received in the form of a gift (sometimes called a grant by the donor) without specific work deliverables or obligations from the University (work product, intellectual property, or any other deliverables directly benefiting the sponsor/donor) are the responsibility of the TF.

Most importantly, it should be noted that neither the process by which funds are acquired, the source of the external funds, nor the terms “gift”, “grant”, or “contract” determine how the funds should be administered. The administration of funds should be generally based upon the terms and conditions attached to the awarded funds in light of the definitions and the work responsibilities outlined above.

## PROCESS FOR FACULTY

TF and RF staff will work collaboratively to determine the appropriate classification of the funding. Faculty should consult with a TF or RF representative.

**If it is determined that the funding opportunity is a non-philanthropic grant, a competitive fellowship, or a contract,** the faculty member will work directly with an RF sponsored program manager. The RF sponsored program manager and faculty member will create a project plan that specifies the following:

1. Project Scope – A description of the work that will be done, including deliverables
2. Schedule – Milestones and a timeline for completing the project
3. Estimated Resources Required – Estimated total amount the company is willing to commit
4. Collaborative Efforts – A description of how the work will be divided (needed only if the project will involve joint effort between SJSU and the company)

Once this plan has been developed, RF will determine total costs, which will include full F&A at the permissible overhead rate. RF will develop a formal proposal for institutional routing and approval via Cayuse. Once approved, the proposal will be submitted to the sponsoring company or foundation with RF as the applicant organization.

If the company or foundation chooses to fund the proposal, the RF sponsored program manager will work with the company to negotiate a sponsored research agreement for the proposed project. Once the award is made to RF, RF will be responsible for the project in its entirety. This includes all aspects of the post award administration such as human resources, payroll, accounting, record retention, IT, post award grants management including audit/program site visits and reporting through the completion of the project/work including retention of all project records and reports.

**If it is determined that the funding opportunity is a gift or philanthropic grant**, TF (if needed) will facilitate the creation of a gift proposal that may include a purpose, schedule, and requested/desired funding amount. This process may require information from faculty members, university program managers, or administrators about the general costs of the proposed need or activities. If the donor chooses to fund the proposal, TF will manage the received funds and reporting, including retention of all related records and reports.

### **IMPLEMENTATION TIMELINE**

This process is in effect immediately.

### **QUESTIONS?**

If you have any questions, please reach out by email at [TOWERandRESEARCH@sjsu.edu](mailto:TOWERandRESEARCH@sjsu.edu) or to Sela Gaglia, Executive Director of Corporate and Foundation Relations at [sela.gaglia@sjsu.edu](mailto:sela.gaglia@sjsu.edu), (408) 924-7033, or Samantha Kerath, Director of Sponsored Programs at the Research Foundation at [samantha.kerath@sjsu.edu](mailto:samantha.kerath@sjsu.edu) (408) 924-1421.