#### **NORTH CAROLINA CENTRAL UNIVERSITY**

# Guidelines for Distinguishing between Sponsored Program Awards, Gifts, and External/Internal Sales

**Responsible Offices:** Division of Graduate Education and Research

Office of Sponsored Research and Programs

**Contracts and Grants Office** 

Division of Administration and Finance

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#### **Overview**

The UNC Board of Governors has defined "sponsored programs" as "scholarly, professional, and creative activities that UNC personnel conduct with support from external funding instruments such as grants, contracts and cooperative agreements, or other agreements deemed appropriate by the UNC Board of Governors." *SPARC Guidelines Document #1.0 – Approved Date: October 27, 2000.* Sponsored program awards and gifts are made to the University in a variety of forms, reflecting the diversity of sponsors as well as their purposes. The language in the award instrument or gift document is the initial source for

determining whether an award is a sponsored program award, a gift, or an external sale. Any analysis of the conditions of the funding must also take the intent of the donor or sponsor into consideration.

When in doubt, consult with the University's Office of Contracts and Grants and Office of Sponsored Research and Programs (OSRP), which, in consultation with the Office of Institutional Advancement, Office of Legal Affairs, and/or Purchasing Department, as appropriate, will make the final determination as to whether the award in question shall be treated as a sponsored program award, a gift, or external sale.

#### Scope

The UNC SPARC Guidelines Document #1.0 (October 27, 2000), "Defining Sponsored Programs," is incorporated by reference as if it was expressly included in these guidelines. (Appendix A). These guidelines apply to all employees of the University, generally, and to all recipients and sub-recipients of sponsored program awards and gifts to the University, or to external sales customers, specifically.

#### **Purpose**

The purpose of these guidelines is to define sponsored programs and projects as distinguished from gifts and other supported activity, such as external sales. Further, these guidelines have been developed to assist University business personnel in determining where to deposit funds received by a department. Finally, these guidelines have been developed to facilitate compliance with federal and state laws and UNC General Administration and University policies and procedures with respect to revenue received by the University.

Compliance with relevant federal and state laws and regulations is a condition of employment at the University.

Audit findings, financial penalties, expenditure disallowances, and harm to the University's reputation could result from failure to comply with the accurate identification and treatment of University awards (i.e., sponsored programs, gifts) and external sales revenue.

#### **Definitions**

<u>Cooperative Agreement</u> – An agreement where the sponsor has substantial involvement in the project and the work is conducted by both the sponsor's employees and the principle investigator.

<u>Contract</u> – An agreement between the University and another entity with specific obligations for both the sponsor and the recipient where the sponsor is seeking to procure

a product or service, has more involvement, and uses the project to achieve a specific outcome or deliverable. In general, contracts contain a more precisely stated expectation than grants of a definable work product or service on some set schedule as a condition of payment.

<u>External Sale</u> – An exchange of tangible or intangible property or services between the University and external customers for monetary consideration. Transaction for technology transfer, license, and trademark agreements are excluded from this definition.

<u>External Customers</u> – Individuals (including faculty, students, and staff), private businesses, foundations and government agencies that acquire property or service from any University departments, auxiliary or internal service organizations and do not use the University internal billing system. Purchases are made by individuals or non-University organizations.

<u>Gift</u> – Any item of value given to the University by a donor who expects nothing significant of value in return, other than recognition and disposition of the gift in accordance with the donor's wishes.

<u>Grants</u> – A pledge of support where the sponsor has little involvement in conducting the project and generally is given to the University with a purpose to support instruction, research or public service.

<u>Sponsor or Sponsoring Agency</u> – The organization that funds a project via a contract, grant or cooperative agreement, or other award agreement.

<u>Sponsored Project or Sponsored Program</u> - An externally-funded activity, which is funded by a governmental agency, corporation, or private foundation, and is governed by specific terms and conditions.

<u>Sponsored Project or Sponsored Program Award</u> – Funding from an external entity such as a governmental agency, corporation, or private foundation for an activity with a defined scope and purpose undertaken by the University with the expectation of an outcome or something of value that directly benefits the sponsor.

## **General Guidance for Properly Distinguishing Between Sponsored Projects** and Gifts

Two primary distinctions guide analyzing and determining whether funding is a gift or a sponsored project.

Distinctions based on Source of Funding.
 Government funding is not treated as a gift.

#### 2. <u>Distinctions based on the Intent of the Sponsor or Donor.</u>

Where the funding is not provided by the government, distinctions between sponsored projects and gifts will be made based on the proposal, statement of work, and terms and conditions of the agreement, taking into the consideration the intent of the donor/sponsor.

Sometimes the award instrument, after ascertaining the donor/sponsor's intent, may have to be adjusted in order to clearly document the intent and avoid unintended classification of the award.

#### **Sponsored Project Awards**

Sponsored project awards, which include grants, cooperative agreements, and contracts, are for research, training or service projects. They bind the University to a set of specific terms and conditions and involve a related reciprocal transfer of something of value to the sponsor. Sponsors can be governmental agencies, private foundations, non-profit groups, or corporations. Sponsored projects must be separately budgeted and accounted for, subject to terms and conditions of the sponsor.

For a summary of what a sponsored program is NOT, refer to the UNC SPARC Document #1.0 (Appendix A).

#### Conditions for a Sponsored Project

The following conditions characterize a sponsored project:

#### 1. Specific Statement of Work

Written instruments in the form of binding agreements and contracts may have any or all of the following:

- a. Administrative terms and conditions for the use of the funds (i.e., contract, cost sharing, line-item budget restrictions, overhead negotiations, prior approval required for spending, return of unused funds to the sponsor, disposition of property, whether tangible or intangible that may result from the activity, or period of performance).
- b. Specific and expected return in exchange for funding;
- c. Limitations on the use of project data;
- d. Provisions for intellectual property:
- e. Provisions for reporting;
- f. Provisions for the protection of the sponsor and/or confidential information:

- g. Involves the use of human subjects, vertebrate animals, radioisotopes, human body substances, etiologic agents, or proprietary materials;
- h. Provisions for publication rights; and/or
- i. Any other legal provisions.

#### 2. <u>Detailed Financial Accountability</u>

Financial accountability and stewardship entail the following:

- a. Providing names of recipients and sub-recipients;
- b. Billing and separate accounting procedures;
- Payment that is contingent on completion of specified exchanges, subject to funding methods (cost reimbursable, fixed price; or fixed fee);
- d. A summary report of how the funds were expended;
- e. A report evaluating program outcomes:
- f. Fiscal reports (including invoices); and
- g. Audits.

#### 3. <u>Disposition of Property or Deliverables</u>

Deliverables entail providing the following:

- a. A product;
- b. A service:
- c. Test results:
- d. Merchandise:
- e. Technical or scientific report(s); and/or
- f. Intellectual property rights.

#### Facilities & Administrative (F&A)/Indirect Cost Implications.

Sponsored project awards are charged facilities and administrative costs, whether identified in the award or not, unless the sponsor has a written policy that precludes such recovery and the University has accepted the award with this restriction. The rates to be applied are the Federal/University-negotiated, approved rates.

#### Procedure

Prior to acceptance, all activities involving a commitment of University resources especially personnel must be reviewed and approved, in advance, by the appropriate academic and administrative department officials.

Sponsored project funds expended by NCCU personnel for the conduct of sponsored programs shall be expended from a University grant fund and not from a Foundation account.

#### Gifts

Gifts are donations of funds or property, real or personal, given voluntarily and irrevocably, without the imposition of restrictive contractual obligations by the donor. Cash gifts include cash, checks (foreign, third-party, etc.), credit cards, wire transfers, and payroll deductions. Deferred gifts are planned gifts that minimize the donor's income and estate taxes. They include trusts, gift annuities, retained life estates, life insurance, life income gifts, and bequests.

Although a donor may place some restrictions on the use or disposition of a gift and may require a report that demonstrates that the donor's wishes have been satisfied, these terms do not make the gift a sponsored project award. Such restricted gifts essentially create a fiduciary responsibility in which the University, by accepting the gift, is obligated to carry out the wishes of the donor.

#### **Conditions for Gifts**

The following conditions characterize a gift:

- 1. No reciprocal benefit to the donor.
- 2. No contractual requirements are imposed and no deliverables to the donor. However, the gift may be for a stated purpose with the use of the funds restricted to that purpose.
- 3. The award is typically irrevocable, with no specified "period of performance."
- 4. There is no formal fiscal accountability beyond periodic progress reports and reports of expenditures.

#### **Cost Sharing Implications**

Committed cost sharing must be funded from a non-federal source and charged to a separate cost sharing account. Gift funds may be used to meet a cost sharing commitment on a sponsored project if the purpose of the gift so allows.

#### Procedure

A gift as defined herein may be deposited to a University revenue fund or to a foundation account, as long as the restrictions of the donation, if any, do not violate the policies of the UNC system, NCCU, or the NCCU Foundation.

Funds received and deposited in a foundation account shall be transferred to a grant fund if any of the funds will be expended toward an activity that meets the criteria of a sponsored program.

#### **External Sales**

University colleges and departments are encouraged to fully utilize academic expertise and institutional resources to generate additional sources of revenue from external customers in a commercial and competitive manner. The sale of property and/or services must be consistent with the University's mission of education, research and public service or maximize the use of exiting department, college, or administrative unit resources, consistent with the objectives of the University. Whenever, feasible, these sales activities should strive to provide learning opportunities for students and foster positive, mutually beneficial, collaborative relations with outside constituencies.

External sales involve the use of University funds to develop a project. A department or college may receive support by selling supplies or services outside the University community. Income from the external sale may be subject to federal or state taxes.

#### **Conditions for External Sales**

The following conditions characterize external sales:

- 1. A tangible benefit is received by the customer. The customer hopes to gain direct economic benefit.
- 2. Access to the results of the work may be restricted.
- 3. The University wishes to own the results of data from activities conducted.
- 4. The University funds the activity.
- 5. The product or service is delivered without detailed reporting requirements.
- 6. The University structures the work plan for the activity and determines all necessary expenditures.
- 7. The University bears the risk of profit or loss on services rendered or properties sold.

#### Procedure

External sales activity should be conducted in accordance with University policies and procedures to ensure adequate compliance with Federal and state regulations and to minimize legal, insurance, and tax risks. Any

department, college, or administrative unit desiring to sell property or services to external customers must obtain appropriate written approval.

Generally, if the activity generating the sale is supported by sponsored projects funds, the income from that sale is program income and is subject to the University's guidelines on "Program Income Associated with Federal and Non-Federal Sponsored Projects."

If the activity generating the sales is supported by funds other than sponsored project funds, the income from the sale should be treated as revenue and should be deposited in a University revenue account, in accordance with University procedures on depositing and recording University funds.

#### **Internal Sales**

Internal sales activity involves the sale of goods or services by one University department to another department within the University. University organizations that sell to other departments are expected to offer goods or services on an on-going basis that are unique, convenient or not readily available from external sources. Examples of these organizations include the University's internal service organizations that provide goods or services at approved rates on a regular and continuing basis predominately to University departments; incidentally to the general public; and incidentally to individuals who are part of the University community (i.e., faculty, staff, students). Examples include printing services, graphic services, fleet services, telecommunication services, and university stores. Transactions are completed via journal entry, which recognize income and expense transfers between University funds.

Internal sales activity that emanates from sponsored project activity must comply with the cost and pricing analysis provisions of the OMB or sponsoring agency administrative guidelines. The rates for the goods or services must comply with Federal Cost Principles and Federal Cost Accounting Standards (CAS); and the rates should fully cover but not exceed costs for goods or services that are sold. The Federal Cost Principles provide principles for associating costs to Federal grants and contracts as either a direct or indirect charge. Because it covers cost principles, there are no provisions to make a profit on these charges.

#### Procedures

Before a University department begins any internal sales activity, prior approval must be received to ensure that units are consistent in estimating, accumulating and reporting costs in order to meet the following objectives:

- Reliable cost estimates
- Improved cost control

- Enhanced accountability
- Assure costs incurred for same purpose in like circumstances are treated consistently as direct or indirect costs.

When establishing the internal sales activity operating accounts in the financial system, units must ensure that revenue and costs of external sales activity are separated from the revenue and costs of internal sales activity.

#### **Related Information**

2 C.F.R. part 215 (formerly OMB Circular A-110), "Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations"

http://www.whitehouse.gov/omb/circulars/a110/a110.html

UNC-GA Policy 500.4(R) - Regulations on Administering Sponsored Programs

UNC SPARC Document #1.0 (October 27, 2000) - Defining Sponsored Programs

NCCU Guidelines - Program Income Associated with Federal and Non-Federal Sponsored Projects

#### **Contact Information**

Office of the Vice Chancellor for Graduate Education and Research	919-530-6931
Office of Sponsored Research and Programs	919-530-7331
Contracts and Grants Office	919-530-5309
Office of Institutional Advancement	919-530-6965

Appendix A

#### SPARC Guidelines Document #1.0 Approved Date: October 27, 2000

#### **DEFINING SPONSORED PROGRAMS**

#### **PURPOSE:**

To ensure compliance with federal and state laws and UNC policies, to clarify submission procedures and processing of awards for external sponsored program funds, and to ensure a uniform administrative process among the constituent UNC institutions.

#### **GENERAL DEFINITION:**

"Sponsored programs" refers to scholarly, professional, and creative activities that UNC personnel conduct with support from external funding instruments such as grants, contracts, cooperative agreements, or other agreements deemed appropriate by the UNC Board of Governors (*Administrative Memorandum #408*, dated November 17, 2000)

#### **SPECIFIC DEFINITIONS:**

A. In addition to the general definition above, any one of the following conditions is sufficient to define a sponsored program:

#### **Conditions Concerning the Nature of the Agreement/Activity**

- 1. A formal proposal exists requiring the endorsement of a UNC-authorized official.
- 2. Progress, technical, final reports, and/or other exchanges are required. The proposed activity binds UNC to a specific delivery of work including service to a sponsor.
- 3. The activity has a specified performance period or completion date.
- 4. The agreement for the activity contains compliance terms and conditions.
- 5. The agreement for the activity contains provisions for confidentiality.
- 6. The testing/evaluating of proprietary products is involved.

#### **Conditions Concerning Financial/Institutional Involvement**

- 7. Initial pricing, expenditures, financial reporting, and/or performance may be subject to external audit.
- 8. Billing, separate accounting procedures, and/or report of expenditures are required.
- 9. Reimbursement/payment is contingent on completion of specified exchanges.

Document Reference - 0.A SPARC Guidelines Document #1.0 Approved Date: October 27, 2000

- 10. Unexpended funds must be returned to the sponsor at the end of the activity.
- 11. Cost sharing/cash matching is involved in the performance of the activity.
- 12. The activity includes budgeted indirect costs.
- 13. The activity involves disposition of property, whether tangible or intangible, that may result from the activity (e.g., equipment, inventions, copyrights, or rights in data).

#### **B.** A sponsored program is NOT:

- 1. A voluntary donation -- i.e., the donation transmittal information does not include any of the conditions defining a sponsored program.
- 2. A voluntary donation of funds given irrevocably.
- 3. A voluntary donation of personal property (e.g., cash, securities, books, equipment) provided by a donor without expectation of tangible or economic (except tax) benefit.
- 4. The transfer of property with no implied responsibility on the part of UNC or the foundation to provide the donor a product, service, technical or scientific report, intellectual property rights, or any other exchanges.
- 5. Donations of real estate, even if initially dedicated for a specific sponsored program.
- 6. Funds received directly by a faculty member (e.g., summer fellowships or travel grants).
- 7. A project conducted as an external professional activity for pay as defined by UNC Administrative Memorandum 333.
- 8. Honoraria -- funds given directly to a faculty member by agreement not requiring administrative endorsement.
- 9. Testing and service agreements processed through re-charge centers having an established fee for service.
- 10. Teaching and professional services provided by UNC personnel to the public at large on a fee-for-service basis.
- 11. Non-technical services to external organizations (e.g., lodging and food service to groups on campus; meeting facilities; sporting events).

Document Reference - 0.A

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12. Fellowships and/or scholarships without a service component or other restrictions.

#### PROCESSING PROCEDURE:

- 1. Prior to acceptance, all activities involving a commitment of the (UNC) resources (including UNC personnel) subject to the definitions in Item A are subject to Administrative Memorandum #408 and must be reviewed and approved by the appropriate academic and administrative unit officials.
- 2. Based on the above definitions, a voluntary donation may be deposited to a constituent UNC account or to a foundation account, as long as the restrictions of the donation (if any) do not violate the policies of UNC or the foundation.
- 3. Funds received and deposited in a foundation account shall be transferred by subcontract to the constituent institution or by direct internal transfer to a constituent institution account if any of the funds will be expended toward an activity that meets the criteria of a sponsored program.
- 4. All sponsored program funds expended by UNC personnel for the conduct of UNC sponsored programs shall be expended from a UNC account.

## Appendix B

#### SPONSORED PROJECTS, GIFTS AND EXTERNAL SALES INDICATORS

REVENUE TYPE	SPONSORED PROJECT	GIFT	EXTERNAL SALES
FUND OWNER	Sponsored Project	Recognized University	Department or
	Administration (OSRP	Foundation	University
	and Contracts and		Administration
DEFINITIONS	Grants) Externally-funded	A transfer of money or	An exchange by the
DEFINITIONS	activity made to a	property made to the	University of tangible or
	University by a	University by an	intangible property or
	governmental agency,	individual, group,	service for monetary
	corporation, or private	business or foundation	consideration with
	foundation, which is	not resulting in direct	external customers. It
	governed by specific	economic benefit or	excludes sales related
	and restrictive terms	other tangible	to sponsored program
	and conditions, separate budgets and	compensation to the donor.	technology transfer, licenses, and trademark
	accounts for fiscal and	donor.	agreements.
	technical reporting, to		agreements.
	include research		
	training and public		
	service projects.		
INSTRUMENT OF	Grant award notice,	Letter or gift agreement	Sales document, letter
CONVEYANCE	contract or cooperative	from the donor.	of agreement, standard
	agreement from the		University contract or
	sponsor.		customer-generated contract.
SOURCE OF FUNDING	Governmental	Individuals, groups,	University funds
	Agencies, private	foundations, and	Omversity rands
	foundations, non-profit	corporations	
	groups, or corporations		
INDICATORS			
General	Award instrument		
	requires endorsement by a University official		
	(the Chancellor).		
	May qualify for basic	Donor intends to take	
	research tax credit for	charitable deduction.	
	the sponsor		
	The Principle	Donor may restrict use	
	Investigator is obligated	or disposition.	
	to a line of scholarly or		
	scientific inquiry that	Specific scope is general	
	follows a plan, provides	or agreed to by donor	

	for orderly testing or	and recipient and funds	
	for orderly testing or evaluation or seeks to		
	meet stated	(scholarships,	
	performance goals.	departmental research,	
		and building).	
		The recipient initiates	
		the project.	
	Scope of work plan		
	includes the following		
	references: human		
	subjects, biohazards,		
	radiological hazards,		
	recombinant DNA.		
	Document includes the		
	following terminology:		
	cost sharing, budget		
	line item, intellectual		
	property, overhead		
	negotiations, period of		
	performance,		
	publication rights.		
	Tangible benefit is	Results of work have no	Tangible benefits are
	received by the	commercial value to the	received by the
	sponsor. Recipient may	donor.	customer. University
	incur penalties for		may incur penalties for
	failure to meet the		failure to meet the
	agreement's terms.		agreement's terms.
	Sponsor hopes to gain		Customer hopes to gain
	direct economic		direct economic
	benefit.		benefit.
	Sponsor wishes to own	There is no obligation or	
	the results of data from	agreement to share	own the results of data
	activities conducted.	data with the donor;	
		donor willingly signs gift	conducted.
	Sponsor expects access	agreement	
	to data, primary	relinquishing	
	records, or has the	intellectual property	
	ability to audit data	and data rights to the	
	collection.	University.	
Dublication	Tamas of the second	A alma anni a alma anni a anni	Duadost as control
Publication and	Terms of the award	Acknowledgement of	Product or service is
Reporting	require publications or	receipt is the only	delivered without detailed reporting.
	+   · · · · · · · · · · · · · · ·		TOTALION TONOTTING
	technical reports	reporting requirement.	detailed reporting.
	dealing with substantive	reporting requirement.	detailed reporting.
	· ·	Donor may request	detailed reporting.

	is required usually with	conies of publications	
	is required, usually with credit to the sponsor.	copies of publications that result from research supported with donated funds and ask to be acknowledged in such publications.	
	The Principle Investigator is obligated to report project results.	Donor may also request annual progress reports or a summary of the types of activities supported	
		Smaller gifts do not usually require reports.	
Accounting and Financial Reports	Award includes a line item budget that identifies expenses by activity, function or project period.	Donor may require that the funds be established in a separate account and that the donor receive an annual statement of total funds expended.	University structures the work plan for activity and determines all necessary expenditures.
		Some gifts may be combined into one fund if for the same purpose	
	Award includes budgetary constraints such as limits on budget categories, or the sponsor exercises prior written approval or other controls over expenditures	There are no required pre-approvals for expenditures.	The University bears the risk of profit or loss on services rendered or properties sold.
	•	Recipient has an active role in how the money is spent but is typically not required to return unexpended funds.	
		Smaller gifts do not usually require accounting statements.	

Period of Performance	Terms include a period	A period of	
	of performance that is	performance is not	
	specific for defining	normally included, but	
	allowability of	one may be stated as a	
	expenditures or other	general expectation.	
	purposes.		
Renewal	May be renewed	Normally, there is no	
	contingent on such	formal renewal.	
	thing as technical		
	review or satisfactory	Additional funding may	
	progress. This implies	be provided at the	
	that the sponsor is	discretion of the donor.	
	monitoring		
	performance to		
	determine if some set		
	of expectations is		
	fulfilled.		

## Appendix C

SAMPLE CONDITION	NS OF GI	FT AWARD		
gift may have its own conditions, for example		-		
separate Material Transfer Agreement.				
	(he	reinafter,		)
to support	aff award document. It does not cover all possible conductions, for example, some gift award may be accomposed agreement.  a restricted or an unrestricted gift in the amount of thereinafter, for his/final programment on this award in its periodic public reports a ses release. However, except as provided in this Conducted use the name of any NCCU faculty member, employed k, trade name, or symbol of NCCU without NCCU's part ward includes these mutual understandings:  The entire agreement and understanding in any publication of the parties of the entire agreement and understanding between the disposition of the above Agreement.			
in the Department of			for his/her	
				<b></b> ·
refer to the award in a press release. However, Award, (DONOR) will not use the name of an	er, except a y NCCU f	as provided in aculty member	this Condition of , employee, stude	Gift nt or
The acceptance of this gift award includes these	mutual und	derstandings:		
NCCU. Except as provided in this Con or will be made as to the disposition of it.  2. NCCU will provide acknowledgement or result from the study funded by this gift.  3. A NCCU infrastructure fee will be applied.  This Agreement represents the entire agreed (DONOR) with respect to its subject matter and	ditions of ontellectual port (DONO) and to this available and and supersed	Gift Award, no property or data R) funding in a ward.  understanding les any prior an	agreements have a ownership. any publications we between NCCU ad/or contemporan	been which and neous
I have read and acknowledge the terms of the ab	ove Agree	ment.		
Vice Chancellor for Graduate Education and Research	Date	Donor	Da	ite
Vice Chancellor for Institutional Advancement	Date			
Principal Investigator	Date			

#### Appendix D

### **Selling to External Customers: Institutional Risks**

**Institutional Risks:** Institutional risks are risks associated with external sales that are University-wide. Processes, relationships and outcomes reflecting external sales activity should seek to manage these risks to meet the mutual and balanced needs of the University, the unit conducting the activity and the external customer with whom the University is conducting business.

1. Activity consistency with University Mission.

#### 2. Business Risks.

- a. Economic viability of activity.
- b. Conducting commercial activities in academic units. Managing these activities with adequate knowledge of impact on existing organizational assets and activities.
- c. Understanding relationship of market influences on the activities.
- d. Distribution of product or services into commercial channels.
- e. External sales financial planning, reporting, controls and accountability standards that are different from typical academic unit business transactions.
- f. Venture capital availability and use.
- g. Business development and performance issues.
- h. Unique nature of activities demands different risk management than research, sponsored project, or gift activities, to achieve business results.
- i. Generation of revenue.
- j. Exclusive contract with a single vendor.
- k. Non-compete commitment.
- l. Pricing basis.
- m. Market knowledge about a product or services, planning for competition, estimation of market value about product or services.
- n. Market distribution management issues.

#### 3. Legal Risks.

- a. Legality of activity, in accordance with law and UNC System and University policies.
- b. Contract between parties.
- c. Commercial documents in use in lieu of contracts, when appropriate.
- d. Business relationship documented.
- e. Intellectual property asset protection and managing copyright, trademarks, patents, trade secrets and proprietary information, and publication rights.
- f. Support for leading edge activities (i.e., internet commerce.)
- g. Use of the University name, logo and/or wordmark.

h. Compliance with licenses between the University and resource providers that may restrict University actions.

#### 4. Tax.

- a. State and local.
- b. Federal, unrelated business income tax reporting.
- c. Institutional unrelated business income tax strategy.
- d. Tax planning topics in the business relationship.

#### 5. Insurance.

- a. Liability issues for third parties on University premises, waiver issues on product sales.
- b. Activities of employees, University or non-university employees working on campus.
- c. Product or service warranties of performance.
- d. Release or consent forms.
- e. Intra- and interstate insurance and liability coverage differences.

#### 6. Regulatory, Oversight, and Ethics Compliance.

- a. Agency rules and limits, (i.e., use of federally funded equipment for external revenue generation).
- b. Human and Animal Subject IRB and IACUC oversight and approval.
- c. Environmental Health and Safety oversight and compliance.
- d. Knowledge and incorporation of outside agency audit standards into business plans and operating procedures.
- e. Conflict of interest.
- f. Individual involved in proprietary interest in company that may be affected by sales.
- g. Relationship to individual consulting policy and activities.

#### 7. Political and Public Relations.

- a. Use or discrediting the University name or reputation.
- b. Internal. Having an internal plan that supports the outcomes.
- c. External. Unfair competition allegations.
- d. Timeliness of planning and implementation to achieve results.

#### 8. Administrative.

- a. Classification and management of activity consistent with University policies and processes.
- b. Approval of activities by department head and dean.
- c. Financial resources of management in department.
- d. Departmental strategic planning for activities of research and external sales.
- e. Appropriate administrative support to manage activity in the department.

- f. Collaboration between academic and administrative areas to support accountability for emerging activities and relationships.
- g. Financial reporting system in department to account for and manage activities.
- h. Establishing processes in departments to demonstrate valid audit trails.