

Guidance: Sponsored Project or Purchased Services?

Determining whether an external individual or organization is requesting engagement from Clemson University as a contractor (services) or as an awardee (sponsored project) can be a confusing task and one in which a degree of judgment is often needed. The decision is significant because it determines and specifies the internal business process that must be followed and the type of legal agreement required, influences the appropriate application of indirect cost rates, and identifies applicable compliance requirements as well as the types and levels of monitoring and reporting required for the activities.

This guidance document is intended for informational purposes only and is designed to help categorize engagement activities utilizing generally accepted sponsored project administration practices.

Sponsored Project Relationship

The following characteristics generally indicate a sponsored project relationship:

- Clemson University participates in a creative way to conceptualize and/or design the project and activities.
- Clemson University conducts/provides an intellectually significant portion of the programmatic effort.
- The funds to support Clemson University in conducting a project are primarily for a public purpose and any benefit to the entity providing the funds is secondary.
- Clemson University develops its own statement of work (SOW) and budget.
- Clemson University's Principal Investigator (PI) has the authority and responsibility to make independent administrative and programmatic decisions and to control the methods of the work.
- Clemson University's performance is measured against outcome objectives, as set forth in the SOW, such performance directly contributing to the success of the project.
- Clemson University's Principal Investigator (PI) and project personnel typically have the right, in accordance with academic standards, to publish results of their work.
- Clemson University typically retains rights to data generated and/or intellectual property conceived or first reduced to practice by its project personnel in performance of the work.
- Clemson University does not routinely provide similar goods and services to other entities as part of its normal business operations.
- Clemson University provides similar goods and services *to a limited number of purchasers*.
- Clemson University normally does not operate in a competitive environment for this particular work.

Purchased Services Relationship

The following characteristics generally indicate a purchased services relationship:

- Clemson University provides little or no contribution to the conceptualization and/or design of the overall project/tasks.
- Clemson University's intellectual contribution is limited and does not constitute a significant contribution to the overall programmatic effort.
- The other entity specifies the work that is to be done and will request a price quote or estimated cost (with budget) from Clemson University.
- Clemson University personnel are not designated as investigators on the project and do not share responsibility for the other entity's project decisions and results.
- Clemson University performs work in a manner that the other entity specifies, requiring little or no independent decision-making by the University (e.g. University implements standard testing procedures and other party-specified protocols).
- Clemson University's performance is measured by completion of specific deliverables or objectives that may be measurable.
- Clemson University personnel generally do not meet academic standards for authorship, although the University's contribution may be acknowledged in publications.
- The other entity typically owns products resulting from Clemson University's work and/or rights to any data generated and/or intellectual property conceived or first reduced to practice by University personnel in performance of the work (generally resulting from the use of the other entity's provided materials or confidential information).
- Clemson University routinely provides similar goods and services to other entities as a part of its normal business operations.
- Clemson University provides similar goods and services to *many different purchasers*.
- Clemson University normally operates in a competitive environment for this particular work.

Contact the Office of Industry Contracts (OIC) at cuic@clemson.edu or 864-656-3989 if you are unsure whether your activity should be a sponsored project or purchased services. The OIC can help you make a determination and guide you through the appropriate internal business process.