Procedure for Compliance with the THECB Restricted Research Classification Process

Responsible Officer(s): Directors, Grant and Contract Services (OGCS), Development, Research Reporting, and Grant and Contract Accounting (GCA)
Sponsoring Department(s): Office of Grant and Contract Services
Revision Date: February 27, 2020
Errors or changes to: ogcs@uta.edu

PROCEDURE OBJECTIVE

Institutional compliance to the Texas Higher Education Coordinating Board’s (THECB) Standards and Accounting Methods for Reporting Restricted Research Expenditures.

SCOPE

• All restricted funds

Procedure Exclusions:
• Unrestricted funds
• Certain subgroups of restricted funds, later detailed in this procedure.

PROCEDURE

• SPONSORED PROJECTS (FUNDS 5100-5400)

Restricted Research Award Determination/Pink Sheet – All sponsored projects must be reviewed prior to award set up to determine proper classification for the purpose of meeting the requirement of the THECB’s Standards and Accounting Methods for Determining Restricted Research Expenditures. The classification determination will be documented on the “Research Award Determination Form and Checklist” (Pink Sheet).

After reviewing definitions in the Coordinating Board’s Standards and Accounting Methods for Determining Restricted Research Expenditures and considering the scope of work, intent of the source of funding and the nature of the sponsored program agreement or award document, the proper classification of an award should be made. Several factors should be considered in making this decision. The analysis of the terms of the agreement, and a review of other documentation, such as the CFDA number descriptor and the sponsor’s program solicitation, should assist in properly and consistently classifying awards.

If the funded work’s activities (scope of work) are for mixed purposes, alternatives are to:
   · Code the project according to the primary purpose
     Primary purpose will normally be demonstrated by more than half of the funds having been budgeted for research, but may be demonstrated by the sponsor’s statement of purpose or other documented evidence.
   · Separately budget the restricted research portion so that it may be reported as Restricted Research if the institution consistently divides multiple function awards regardless of function.
Additional justification should be provided on the form with references to SAM sections as appropriate.

Page 2 of the Pink Sheet provides a rating scale to assist in the determination of whether or not a sponsored project should be considered research related. Numbers correlate as follows:

- 3 Strongly Agree
- 2 Agree
- 1 Neutral
- 0 Disagree

**GIFTS (FUNDS 5500-5600)**

**Restricted Gift Determination** – All gifts must be reviewed prior to requesting a cost center to determine the classification of the gift for the purpose of meeting the requirement of the THECB’s Standards and Accounting Methods for Determining Restricted Research Expenditures. The classification determination will be documented on the Cost Center Request Form by???

**OTHER**

**Restricted Fund Determination** – Certain types of funds do not necessarily go through either of the above initial review process due to the inherent nature of the purpose of the funds.

*North Texas Genome Center (NTGC)* is a research center for genomics and high throughput sequencing. Through various research collaborations, the data stored and analyzed from sequencing, the NTGC conducts research in drug development, disease prevention, cancer treatments and fundamental aspects of genetics. The NTGC houses a variety of high-end research equipment and instruments as well as research staff to assist in analysis, collaboration, and dissemination of research findings. The NTGC helps to mentor student in research experiences through the activities of the center and retains all usual and customary rights to disseminate their research.

*Various Sponsor Accounts*: There are multiple sources of funds for this restricted funds cost center. These restricted funds were determined to be research when the cost center was requested. They are also documented as being research as part of the transparency process by the account holder. Therefore we consider this as restricted research per 1.2.2.2 of the SAM: “more than half the earnings are budgeted for research through the institutional accounting process.”

*Endowed Chair Accounts*: UT Arlington accepts endowments for both Chairs and Professorships. Both types of endowment primarily support research activities.

**TRANSPARENCY LIST**

UT Arlington will submit annually a list of all new restricted research awards, including those not previously submitted or reviewed, to the Coordinating Board at a date specified by the Commissioner. The listing of the new restricted research awards is referred to as the transparency list. A restricted research award is defined by its official Notice of Award or Award Number. If the institution receives an extension of an existing award for which the scope did not change, that award is not considered new. Renewed awards that keep the same scope of work as a previous award, but with different Notice of Award or Award Number, should be declared as such in the “Descriptive Note” field of the transparency list.

The Director, OGCS, compiles the list for UT Arlington performing a secondary review of all Sponsored Project and Gifts included on the transparency list for submission. Additional information and clarification may be requested at a part of this process to ensure the accurate classification of funds.
DEFINITIONS

- A restricted research expenditure is an expenditure of funds that an external entity has placed limitations on and for which the use of the funds qualifies as research and development.

Entities external to an institution that provide research funds include federal, state, or local government agencies; private philanthropic organizations and foundations; industry associations; for-profit businesses; and individuals. The following examples are intended to illustrate the types of restricted funds:
  - When a federal agency provides a grant for a specific purpose, the grant would be considered a restricted fund.
  - When a non-profit or community/educational foundation provides a grant for a specific purpose, the grant would be considered a restricted fund.
  - A contract from a private sector company would typically be a restricted fund.
  - When a donor provides a gift for current expenditure for a specific purpose, or for creation of or addition to an endowment fund, the income from which is for a specific purpose, the funds expended would be considered restricted funds.

RELATED STATUTES, POLICIES, REQUIREMENTS OR STANDARDS

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<tr>
<th>UT System Administration Policies and Standards</th>
<th>Other Policies and Standards</th>
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<tr>
<td></td>
<td>Texas Higher Education Coordinating Board Standards and Accounting Methods for Reporting Restricted Research Expenditures</td>
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APPENDICES

None

CONTACTS

If you have any questions about UT Arlington Procedure contact the following departments:

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<thead>
<tr>
<th>Subject</th>
<th>Office Name</th>
<th>Telephone</th>
<th>Email/URL</th>
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<tbody>
<tr>
<td>All topics in Policy</td>
<td>Grant and Contract Services</td>
<td>817-272-2105</td>
<td><a href="mailto:ogcs@uta.edu">ogcs@uta.edu</a></td>
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