

Routing Grants through the Oregon State University Foundation

Date: May 30, 2025

Background:

The OSU Foundation (OSUF) primarily supports the processing and management of gifts, while the Office for Sponsored Research and Award Administration (OSRAA) processes and manages sponsored projects. Sponsored projects are typically awarded as a grant or contract. For guidance on distinguishing between gifts and grants, please refer to <https://research.oregonstate.edu/determination-sponsored-projects-and-gifts>.

In some cases, grant eligibility requirements specify that the applicant organization must be a 501(c)(3). While Oregon State University (OSU) is not a 501(c)(3), the OSU Foundation (OSUF) holds this status. To enable our Principal Investigators (PIs) to qualify for these funding opportunities, OSUF and OSRAA collaborate to support these grants. The OSUF applies for and accepts the grant, then OSRAA administers it through a subaward arrangement. There are also a few sponsors that require or prefer an application be processed through the OSUF, but will make an award directly to Oregon State, if the project is selected for funding.

Although OSRAA manages the administration of grants, OSUF provides extensive support in helping PIs develop proposal narratives and related documents for private foundation proposals. OSUF relies on OSU support staff to create budget-related documents and obtain appropriate institutional approvals for the work to be done. To the extent possible, OSU informs PIs about the services OSUF offers to enhance overall grant applications to private foundations. PIs can utilize OSUF's proposal assistance regardless of whether a proposal is processed through OSUF or OSU.

Process:

1. Eligibility Requirements

- PIs should ensure that 501(c)(3) status is required by the sponsor before routing a grant application through OSUF as the applicant organization. Some grant opportunities are from smaller organizations that may conflate non-profit/tax-exempt/501(c)(3) status. As a tax-exempt, non-profit public institution under section 170 (c)(1) of the Internal Revenue Code, OSU is eligible for most grant funding opportunities, including those designated for non-profits. Oftentimes when a sponsor states on a website or in grant solicitation that an organization must have 501(c)(3) status to apply, they are not restricted to only funding organizations with 501(c)(3) status but instead are limited to funding organizations with tax-exempt and/or other types of non-profit status. Because OSUF involvement requires additional administrative workload, and it is more efficient in these instances if we are able to submit grants directly through OSRAA/OSU. OSUF and OSRAA are committed to directing private foundation applications to the appropriate lead applicant, including verifying which applicant (OSU or OSUF) has eligibility, and will redirect PIs to the OSUF or OSRAA as appropriate.

2. Proposal Submission to Sponsor:

- After it is confirmed that a 501(c)(3) is required by the foundation sponsor, OSUF is responsible for submission of a proposal to the foundation sponsor, after it has been routed through Cayuse and approved by OSRAA (see 5 “Cayuse Proposal” below).

3. OSUF Gift Fee:

- OSUF charges a 5% “gift fee” for any grant that they submit on behalf of OSU that will be awarded to OSUF and then subawarded to OSU (5% on total grant award). This fee is typically taken from indirect costs budgeted into the grant proposal. However, there are instances when a sponsor will not allow for indirect costs to be budgeted into a proposal or when a sponsor limits indirect cost recovery to less than 5% total project. In these instances, the 5% fee (or remainder of it) must be committed by the PI’s department from a valid funding source. If OSUF submits a grant on behalf of OSU but a sponsor makes an award directly to OSU (no pass through from the OSUF as subaward), no gift fee needs to be applied.

4. Indirect Costs:

- Indirect costs for all grants and other sponsored projects must be budgeted following the OSU F&A rate policy (<https://research.oregonstate.edu/osraa/osraa-policies>). However, our institutional policy allows OSU to accept a lower rate if it is limited by the sponsor (e.g., 10% total project). See the policy (<https://research.oregonstate.edu/osraa/fa-reductionswaivers>) or contact proposals@oregonstate.edu for more details on F&A limitations. Please also discuss indirect cost rates with the OSUF as part of the proposal preparation process. At times, OSUF staff have additional information on sponsor F&A policies.

5. Cayuse Proposal:

- All grant proposals must be routed through Cayuse and approved by OSRAA. This should be done prior to submission to the sponsor, unless the path for funding (i.e., as a gift vs. grant) is not known at time of submission. If a proposal is submitted by OSUF that later needs to pass through OSU, OSRAA will require a Cayuse proposal to be routed and approved prior to the subaward from OSUF being written and executed by OSRAA.
- The Cayuse record should list OSUF as the “Sponsor” and the external sponsor that is funding OSUF should be listed as the “Prime Sponsor”. Note: If OSUF submits a proposal on behalf of OSU but an award is going to be made directly to OSU, OSUF does not need to be listed as a sponsor in Cayuse.
- When OSUF is the “Sponsor,” budget information entered in Cayuse should only reflect the amount OSU will receive from the OSUF. This is typically the total awarded grant amount minus the OSUF 5% Gift Fee, taken from the indirect cost line item. In cases where no indirect costs are allowed, the OSU budget would consist of only direct costs. The OSUF Gift Fee should not be included as a line item in the Cayuse budget documents.
 - OSUF Budget = Direct Costs + Indirect Costs (if allowed)
 - OSU Indirect Costs (if allowed) = Indirect Costs - OSUF Gift Fee
 - OSU Budget = Direct Costs + OSU Indirect Cost (if allowed)
- If a fully executed award between the OSUF and the sponsor is attached in the Cayuse record, then once the proposal has been fully routed and approved, the assigned OSRAA Proposal Analyst will send a copy of the award document to OSRAA’s Grant and Contract Officer Team to start the subaward process.

6. Grant Award Receipt:

- If a proposal is selected for funding, and the grant is awarded to the OSUF (not OSU directly), then the process bulleted below is followed by the OSUF. [Note: If an award is received directly by OSU, then OSRAA will follow its typical award process.]
 - An OSUF official shares a copy of the award document with OSRAA's Director of Sponsored Programs, Award Contracting to determine if the award terms can be accepted by OSU. The OSRAA Director will then confirm with OSUF whether or not the award can be accepted.
 - An OSUF official will sign on behalf of the OSU Foundation.
 - Any check received is processed by OSUF's Gift Administration unit.
 - OSUF will send the executed award to sponsored.programs@oregonstate.edu to start the OSRAA award processing workflow.
- Once a fully executed award is received from OSUF, an assigned OSRAA Grant and Contract Officer will start the process of drafting a subaward agreement between OSUF and OSU. It typically takes two to three weeks to draft and obtain a fully executed (signed) subaward agreement between OSUF and OSU.
- OSRAA's Grant and Contract Team will then send the signed subaward agreement to the OSRAA Setup Team, who will establish the Banner index and notify the PI of their index number. This setup process typically takes two weeks.