

## **Sections 6.5 and 6.6:**

### **Externally Funded Grants and Contracts and Related Corporate Entities**

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## 6.5 Externally Funded Grants and Contracts

**Externally funded grants and contracts must be related to the stated purpose of the institution.**

The University is in compliance.

Angelo State University's policies regulating sponsored projects and research grants from non-University funds require that the University review and approve all proposals before transmittal to the sponsoring agency: "It is the responsibility of the Dean of the Graduate School to review all research proposals to make certain that they . . . are consistent with the educational objectives of the University" (*Faculty-Staff Handbook*, IV-44).

**The institution's policy on such grants and contracts must provide for an appropriate balance between grant and contract activity and instruction, and guarantee institutional control over the administration of research projects.**

The University is in compliance.

Faculty contracts for members of the Department of Agriculture, who both teach and conduct research at ASU's Management, Instruction, and Research Center, specify the division between research and instruction. For other faculty, the *Faculty-Staff Handbook* calls for integration of teaching and research:

The University recognizes that research under sponsored projects contributes significantly to the academic stature, achievement, and capability of the faculty in fulfilling their responsibilities as teachers and public servants. To that end, the University seeks to insure the close integration of research and teaching, including the employment of students in sponsored projects and the use of research facilities for instructional purposes. (IV-43)

However, the self-study faculty survey recorded a preponderance of responses of "not sure" (52.9%) to the item "When I work on a grant, there is clear division between research and teaching responsibilities." The most obvious explanation for this answer is that most faculty do not do research by means of external or sponsored grants, and internal grants are funded as a substitute for summer teaching. To eliminate any confusion, the policies have been more clearly explained. In the Revised *Faculty-Staff Handbook*, faculty members are instructed to consult with the head of their department and the Dean of the Graduate School to determine the allowable allocation of time between grant activity and instruction (IV-47).

According to university policy, Angelo State University must be the fiscal agent for all external consulting contracts and grants (*Faculty-Staff Handbook*, IV-42). The procedure for accepting grants was amended in February 2000:

The Dean of the Graduate School will notify the relevant Department Head and Dean, the Vice President for Fiscal Affairs, the Vice President for Academic Affairs, and the President when contracts are awarded. The Office of the President shall send an acknowledgment letter to the grantor. (Memorandum, February 3, 2000)

This procedure was incorporated with the Revised *Faculty-Staff Handbook* (IV-49).

These policies and procedures guarantee institutional control over the administration of research projects. An audit of recent grants, conducted in FY 2000, is on file with the documentation for this section.

**The researcher’s freedom to investigate and report results must be preserved. Research support from outside agencies should not undermine these basic research principles.**

The University is in compliance.

The *Faculty-Staff Handbook* establishes ASU’s support for faculty research: “Faculty research is essential in maintaining quality instructional programs. It is through research that faculty members maintain their knowledge at challenging levels and stimulate in students the desire to learn and to apply learning to society’s problems” (IV-41). While declining to assume the role of an advocate or social action agency, the University nonetheless “authorizes sponsored projects which seek to discover and disseminate knowledge in the areas of human rights and welfare” (IV-43).

As the following table shows, ASU faculty agree that academic freedom applies not only to teaching but also to research:

**Table 6.5**

**Faculty Attitudes towards Academic Freedom**

<b>Item</b>	<b>Mean</b>	<b>St. Dev.</b>	<b>Median</b>	<b>Mode</b>
<b>In my teaching, I am free to</b>				
Question assumptions.	3.99	0.87	4	4
Teach the substance of my discipline.	4.11	0.88	4	4
Be guided by the evidence of scholarly research.	4.15	0.81	4	4
<b>In my research, I am free to</b>				
Report results.	4.04	0.85	4	4
Study the substance of my discipline.	4.02	0.85	4	4
Investigate.	4.02	0.86	4	4

Many of the grants awarded to Angelo State University are not research grants. Research grants are marked with an asterisk in the appended table of grants (Appendix A). These grants are in compliance with all the above requirements.

Research support from outside agencies usually amounts to less than 1% of the University's budget, as explained below. This fact, as well as the policy of institutional control, protects these basic research principles.

The Committee on Grants and Contracts has examined the terms of each grant active during FY 2001 and concludes that all grants meet the standards specified in the *Criteria*. A summary list and a copy of each grant are available for verification.

**Where applicable, the institution must establish a clear policy concerning a faculty member's division of obligations between research and other academic activities.**

The University is in compliance.

Faculty contracts for faculty members in the Department of Agriculture, who both teach and conduct research at the Management, Instruction, and Research Center, specify the division between research and instruction. No other faculty have specific contractual research obligations.

**It must ensure that this policy is published in such documents as the faculty handbook and made known to all faculty members.**

The University is in compliance.

Faculty responsibilities are listed in the *Faculty-Staff Handbook* (IV-12-14) within the section entitled "General Eligibility for Tenure." Scholarly/creative activity is one of three such responsibilities, the other two being teaching and leadership/service. All faculty members are issued a copy of the *Handbook*. Copies are also available in each department and online at [http://www.angelo.edu/faculty\\_staff/publications.htm](http://www.angelo.edu/faculty_staff/publications.htm). The policy specifying the division of time for externally sponsored research is published in the revised *Faculty-Staff Handbook* (IV-47). Internal grants are almost always awarded for the summer term, and the awards letters specify the proportion of released time to teaching.

**Where applicable, the institution must develop policies regarding summer salaries paid from grant and contract funds, salary supplements paid from grants during the regular academic year, and fees for consultative services provided by faculty members.**

**These policies must also be published and made known to the faculty.**

The University is in compliance.

Faculty contracts are for nine months. Payment for summer work, either for teaching or for grant or contract work, is determined at a rate of one sixth of the normal nine-month salary per five-week summer term. A total of one third of the normal nine-month salary is paid if the faculty member works both terms. ASU publishes policies governing summer employment for faculty in the *Faculty-Staff Handbook*, IV-39.

The Revised *Faculty-Staff Handbook* specifies the policies for summer salaries to be paid from grant and contract funds (IV-47). Salary supplements are not paid from grants during the regular academic year. Policies governing fees for grants also govern fees for consultative services (*Faculty-Staff Handbook*, IV-42). The University publishes all research policies in the *Faculty-Staff Handbook*, IV-41-59.

**In accepting funds from outside agencies, the institution must ensure that it maintains control over research and instruction.**

The University is in compliance.

When the University accepts a grant or contract from an outside sponsoring agency, an academic agent or an administrator is assigned to oversee it. Only faculty members, professional staff members, or research scientists at the Management, Instruction, and Research Center may be authorized to implement the obligations implied by the acceptance of a grant (*Faculty-Staff Handbook*, IV-45). These obligations are ethical and legal as well as fiscal.

**Because many agencies attach stringent regulations directing and limiting the activities for which they provide funding, the institution must safeguard control over its own activities.**

The University is in compliance.

In addition to the policies requiring consistency with the educational objectives of the University and fiscal and ethical oversight over the grant or contract, ASU specifies that it cannot engage in projects that involve continuing large-scale production or manufacture. The University also retains the right to audit grants (*Faculty-Staff Handbook*, IV-46), and it does so.

The *Faculty-Staff Handbook* contains policies regarding research involving human subjects and biohazardous experiments; it also contains a detailed policy regarding misconduct in research. The University thus safeguards control over its own activities.

**Continuity of support for general institutional activities must not be endangered by acquisition of research grants and contracts.**

**Grants must be awarded and contracts must be made for specified periods of time. When the institution becomes even partially dependent upon such funds for faculty salaries and/or graduate student stipends, termination of grants and contracts can jeopardize an entire educational program.**

**It is also important that an institution not become dependent upon indirect cost allowances from grants and contracts to support its regular operating budget.**

The University is in compliance.

The total amount of external grants and contracts for FY 2000 was \$2,243,862. This represents 4.23% of the University's state-funded budget of \$54,854,010 (Legislative Budget Board Performance Measures). For FY 2001, the amount is \$1,149,920, representing 2.10% of the budget (estimate by Accounts-Grants Manager). The amount for research grants exclusively is \$463,232, representing 0.84% of the budget. (The FY 2000 amount included a one-time grant for construction on the West Texas Training Center.) Funds for salaries for researchers at the Management, Instruction, and Research Center come from the MIR budget, a legislatively funded item, not from grants.

Support for general instructional activities is thus not endangered by acquisition of research grants and contracts.

#### Appendix A: Grants

Grant Name, Function	Related to Mission	ASU controls admin of project	Researcher's Freedom safeguarded	ASU controls own activities	Institutional activities not endangered	Specific period
Texas Infrastructure Fund—wire dorms and facilities for internet access	X	X	N.A.	X	X	X
*A&M TEES—statewide—promotes research/educational projects	X	X	X	X	X	open
TEES NSF—promote science education in Texas	X	X	N.A.	X	X	X
*TPW Devil's River—	X	X	X	X	X	X

<b>Grant Name, Function</b>	<b>Related to Mission</b>	<b>ASU controls admin of project</b>	<b>Researcher's Freedom safeguarded</b>	<b>ASU controls own activities</b>	<b>Institutional activities not endangered</b>	<b>Specific period</b>
study fauna of Devil's River						
*TPW State Park—study fauna of San Angelo State Park	X	X	X	X	X	X
Ext. Regional Studies—set up Southwest Studies program	X	X	N.A.	X	X	X
*UT Bitterweed—range and wildlife management studies	X	X	X	X	X	X
TexPrep—pre Freshman engineering program	X	X	N.A.	X	X	X
*NSF Biodiversity—prepare a database of specimens in collection for web presentation	X	X	X	X	X	X
*Dept. of Interior Hedgehog Cactus—study hedgehog cactus	X	X	X	X	X	X
Department of Education—PT3 Capacity Building (preparing tomorrow's teachers to use technology)	X	X	N.A.	X	X	X
Dept. of Education—PT3 Implementation (preparing tomorrow's teachers to use technology)	X	X	N.A.	X	X	X
DHHS—school-based clinics	X	X	N.A.	X	X	X
*Welch Foundation—stipends for research for chemistry students	X	X	X	X	X	X
*Research Corp.—stipends for research for physics students	X	X	X	X	X	X
*Mesquite Encroachment.—study mesquite seeds	X	X	X	X	X	X

Grant Name, Function	Related to Mission	ASU controls admin of project	Researcher's Freedom safeguarded	ASU controls own activities	Institutional activities not endangered	Specific period
Livermore Lab—carbon dating studies	X	X	X	X	X	X
SBDC—promote small business in region	X	X	N.A.	**	X	X
SA Health Foundation-Junell Sports Medicine—purchase equipment for sports med program	X	X	N.A.	X	X	open
SAISD Clinics—funding school clinics	X	X	N.A.	X	X	X
Physical Therapy Private Funding—startup funds to begin Physical Therapy program	X	X	N.A.	X	X	X
Helene Fuld Health Trust—assistance to associate degree students (nursing)	X	X	N.A.	X	X	X
*Flora of Texas project—biodiversity of flora in Texas	X	X	X	X	X	X
US Dept of Commerce—renovation, some construction, West Texas Training Center	X	X	N.A.	X	X	X

\*\*must conform to Small Business Administration reporting standards

### 6.6 Related Corporate Entities

**When an institution is reliant upon such an entity, or when a separately incorporated or related entity is reliant upon the institution, documentation outlining the mutual relationship and benefits must be maintained by the institution.**

**This documentation must include the following: a description of the separately-incorporated unit's activities; a statement demonstrating the manner in which the activities relate to the purpose of the institution; a current roster of board members of the unit, including**

**institutional personnel and board members who have responsibilities with both the institution and the incorporated entity, whether they are additionally compensated by the entity or not; a copy of the separately incorporated unit’s annual financial audit report for the most recently completed year; and copies of the charter bylaws of the unit.**

The University is in compliance.

A table of identified related corporate entities appears below. The Internal Auditor has examined their documents and has determined that all entities comply with the *Criteria*. Copies of the documents are filed in the Supporting Documents box for Section 6.

**Table 6.6**

**Related Corporate Entities**

	<b>Description of activities</b>	<b>How activities relate to purpose</b>	<b>Board Members</b>	<b>ASU personnel and board members with joint responsibilities</b>	<b>Recent Audit</b>	<b>Charter</b>	<b>By-laws</b>
ASU Foundation	X	X	X	X	2000	X	X
Ex-Students’ Association	X	X	X	X	2000	X	X
FAME	X	-	X	X	2000	X	X
Friends of the Library	X	X	X	X	2001	X	X
President’s Circle	X	X	X	X	2001	X	X
Ram Club	X	X	X	N.A.	1999	X	X
Carr Foundation	X	X	X	*	2001	X	Will

\*Members of the Board of Regents, Texas State University System, serve independently and separately as trustees of the Carr Foundation.

**The institution should demonstrate the manner in which each related entity contributes to its effectiveness.**

The ASU Foundation operates for the benefit of Angelo State University by providing funds to aid in the operation, maintenance, functions, activities, services, and building programs. In recent years, funds from this program have been used for outreach programs such as Up-And-Coming Scholars and the San Angelo National Ceramic Foundation which enhance the effectiveness of the University but which could not be supported with state funds.

The Ex Students’ Association promotes scholarships and special contributions and publicizes outstanding achievements of the University.

FAME sponsors a showcase concert by the music performance groups, a performance opportunity for these students. It also offers 42 deserving and qualified art and music majors the chance to gain an education by means of a \$10,000+ scholarship program.

The Friends of the Library is an organization that works to enhance and promote the collections, services, programs, and facilities of the Library and the West Texas Collection, and thus to forge a connection between them and the San Angelo and West Texas community.

The President's Circle provides private money for activities such as recruitment, retention, improving quality of publications, advertising and other development activities which cannot be paid for out of state funds.

The Ram Club offers scholarships and other support primarily for athletics. Among other contributions is an annual gift of \$20,000 to support men's and women's athletic programs in areas such as recruitment and tutoring.

The Carr Foundation is a charitable and educational trust for the purpose of providing funds for worthy and deserving students of Angelo State University. At its last audit (for year ending August 2000) the assets of the Foundation totaled over \$56 million.

## **Findings**

### Strengths

1. Policies regarding ethical responsibilities and academic freedom are fairly clearly defined.

### Recommendations and Suggestions

Angelo State University is in compliance with the standards, and the Self-Study Steering Committee has no recommendations or suggestions.

**Section 6.5 and 6.6: Externally Funded Grants and Contracts & Related Corporate Entities Compliance Grid**

<b>Must Statement</b>	<b>Compliance Status</b>	<b>Documentation</b>
<b>6.5 Externally Funded Grants and Contracts</b>		
<i>Externally funded grants and contracts <b>must</b> be related to the stated purpose of the institution.</i>	In Compliance	<ul style="list-style-type: none"> <li>• <a href="#">Faculty-Staff Handbook, IV-44</a></li> <li>• <a href="#">Copies of grants</a></li> </ul>
<i>The institution's policy on such grants and contracts <b>must</b> provide for an appropriate balance between grant and contract activity and instruction, and guarantee institutional control over the administration of research projects.</i>	In Compliance	<ul style="list-style-type: none"> <li>• <a href="#">Faculty-Staff Handbook, IV-42, 43</a></li> <li>• <a href="#">Memorandum from President, February 3, 2000</a></li> </ul>
<i>The researcher's freedom to investigate and report results <b>must</b> be preserved.</i>	In Compliance	<ul style="list-style-type: none"> <li>• <a href="#">Faculty-Staff Handbook, IV-41, 43</a></li> <li>• <a href="#">Copies of grants</a></li> </ul>
<i>The institution <b>must</b> establish a clear policy concerning a faculty member's division of obligations between research and other academic activities.</i>	In Compliance	<ul style="list-style-type: none"> <li>• <a href="#">Faculty-Staff Handbook, IV-12-14</a></li> </ul>
<i>It <b>must</b> ensure that this policy is published in such documents as the faculty handbook and made known to all faculty members.</i>	In Compliance	<ul style="list-style-type: none"> <li>• <a href="#">Faculty-Staff Handbook, IV-12-14</a></li> </ul>
<i>Where applicable, the institution <b>must</b> develop policies regarding summer salaries paid from grant and contract funds, salary supplements paid from grants during the regular academic year, and fees for consultative services provided by faculty members.</i>	In Compliance	<ul style="list-style-type: none"> <li>• <a href="#">Faculty-Staff Handbook, IV-42-59</a></li> <li>• Interview with Personnel Manager</li> </ul>
<i>These policies <b>must</b> also be published and made known to the faculty.</i>	In Compliance	<ul style="list-style-type: none"> <li>• <a href="#">Faculty-Staff Handbook, IV-42-59</a></li> </ul>
<i>In accepting funds from outside agencies, the</i>	In Compliance	<ul style="list-style-type: none"> <li>• <a href="#">Faculty-Staff Handbook, IV 42-59</a></li> </ul>

Must Statement	Compliance Status	Documentation
<i>institution <b>must</b> ensure that it maintains control over research and instruction.</i>		
<i>Because many agencies attach stringent regulations directing and limiting the activities for which they provide funding, the institution <b>must</b> safeguard control over its own activities.</i>	In Compliance	<ul style="list-style-type: none"> <li>• <a href="#">Faculty-Staff Handbook, IV-45</a></li> </ul>
<i>Continuity of support for general institutional activities <b>must</b> not be endangered by acquisition of research grants and contracts.</i>	In Compliance	<ul style="list-style-type: none"> <li>• <a href="#">LBB Performance Measures</a></li> <li>• <a href="#">Fiscal Office Calculations</a></li> </ul>
<i>Grants <b>must</b> be awarded and contracts <b>must</b> be made for specified periods of time.</i>	In Compliance	<ul style="list-style-type: none"> <li>• <a href="#">Fiscal Office Calculations</a></li> </ul>
<i>It is also important that an institution not become dependent upon indirect cost allowances from grants and contracts to support its regular operating budget.</i>	In Compliance	<ul style="list-style-type: none"> <li>• <a href="#">Fiscal Office Calculations</a></li> </ul>
<i>Grants <b>must</b> be awarded and contracts <b>must</b> be made for specified periods of time.</i>	In Compliance	<ul style="list-style-type: none"> <li>• <a href="#">Copies of grants</a></li> <li>• <a href="#">List of grants</a></li> </ul>
<b>6.6 Related Corporate Entities</b>		
<i>When an institution is reliant upon such an entity, or when a separately incorporated or related entity is reliant upon the institution, documentation outlining the mutual relationship and benefits <b>must</b> be maintained by the institution.</i>	In Compliance	<ul style="list-style-type: none"> <li>• Internal Auditor's Records</li> </ul>
<i>This documentation <b>must</b> include the following: a description of the separately-incorporated unit's activities; a statement demonstrating the manner in which the activities relate to the purpose of the institution; a current roster of board members of the unit, including institutional personnel and board members</i>	In Compliance	<ul style="list-style-type: none"> <li>• <a href="#">ASU Foundation Charter</a></li> <li>• <a href="#">ASU Foundation By-Laws</a></li> <li>• <a href="#">ASU Foundation Board Roster</a></li> <li>• <a href="#">ASU Foundation Audits</a></li> <li>• <a href="#">Ex-Students' Association Charter</a></li> <li>• <a href="#">Ex-Students' Association By-Laws</a></li> <li>• <a href="#">Ex-Students' Association Board Roster</a></li> <li>• <a href="#">Ex-Students' Association Audits</a></li> <li>• <a href="#">FAME Charter</a></li> <li>• <a href="#">FAME By-Laws</a></li> </ul>

Must Statement	Compliance Status	Documentation
<p><i>who have responsibilities with both the institution and the incorporated entity, whether they are additionally compensated by the entity or not; a copy of the separately incorporated unit's annual financial audit report for the most recently completed year; and copies of the charter bylaws of the unit.</i></p>		<ul style="list-style-type: none"> <li>• <a href="#">FAME Board Roster</a></li> <li>• <a href="#">FAME Audits</a></li> <li>• <a href="#">Friends of the Library Charter</a></li> <li>• <a href="#">Friends of the Library By-laws</a></li> <li>• <a href="#">Friends of the Library Board Roster</a></li> <li>• <a href="#">Friends of the Library Audits</a></li> <li>• President's Circle Charter</li> <li>• <a href="#">President's Circle By-Laws</a></li> <li>• <a href="#">President's Circle Board Roster</a></li> <li>• President's Circle Audits</li> <li>• <a href="#">Ram Club Charter</a></li> <li>• <a href="#">Ram Club By-laws</a></li> <li>• <a href="#">Ram Club Board Roster</a></li> <li>• <a href="#">Ram Club Audits</a></li> <li>• Carr Foundation Charter</li> <li>• Carr Foundation By-Laws</li> <li>• <a href="#">Carr Foundation Board Roster</a></li> <li>• Carr Foundation Audits</li> </ul>