Sustaining & Expanding Extension Programs: A Practical Guide to Revenue Generation

Delivered to the OSUES Dean & Director’s Cabinet
July 12, 2004

by the
Revenue Generation Task Force
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I. INTRODUCTION AND BACKGROUND

A. Revenue Generation at Oregon State University Extension Service

There is a growing national trend among Extension Service organizations to employ diverse funding strategies for greater growth and impact. Since public funding for Extension is not keeping up with the demand for services in most states, committed Extension professionals are accessing other sources of revenue to maintain or expand their programs. As a significant contributor to Oregon’s infrastructure, our future impact relies on our ability to adapt to a wide variety of financial opportunities and relationships.

The increased attention on revenue generation within OSU Extension Service in the past two years has resulted from a series of budget reductions and revenue shortfalls. This situation has caused the organization to think farther into the future, become more proactive in identifying a wider variety of funding sources for Extension programming, and to think creatively about program sustainability. Even as we experienced critical and immediate budgetary needs, we began to view the situation as an opportunity to conduct business in a new way and secure a positive future.

Many OSU Extension faculty members have successfully secured external funding through grants, private gifts, contracts, and fees for service for many years. As this practice becomes more widely spread throughout the organization, we expect faculty will learn from each other’s experience and the organization will not just “survive” but grow and thrive.

The work of the Revenue Generation Task Force and this resulting handbook is meant to provide organizational support for an increase in revenue generation activities. It is our hope that the handbook and other resources provided will help faculty sustain and expand their programs through alternative revenue sources.

B. Meeting the Needs of Oregonians through Program Growth

The large and complex issues we face as Extension professionals require extraordinary creativity and versatility in responding to community needs in a timely manner by developing internal and external partnerships and creating funding strategies for current and increased staffing and programming.

The keys to success in generating external support for OSUES is in our ability to think creatively about the services we provide to diverse audiences, our dedication to manage resources wisely, and our ability to provide outstanding accountability on demonstrated impacts.
One approach that an individual faculty member can take is to review his/her plan of work for the year with a new frame of reference. Some questions he or she might ask are:

- What portions of this work plan have potential for private support?
- Are there elements of this work that would be appealing to private foundations, individuals, or other donors?
- Can any portion of my salary be applied to an existing or new grant opportunity?
- Are there fees associated with the programs I am providing? If not, should there be? If not, could there be?
- If I am charging fees for some things, are they adequate to provide either partial or full cost recovery?
- What impacts or outcomes do I expect from my work plan and how will I communicate those to decision makers and potential funders?

This is a new way of thinking for most Extension faculty. It's helpful to have an open mind to the possibilities and to talk about the work plan with your Program Leader or fund developers, simply to explore the possibilities. There are consequences to any of the choices we make about funding sources. There are accounting issues for each of the choices. Learning about our options certainly makes decision-making easier.

We are in a new era. There will be a certain level of trial and error and this should be encouraged and supported. This handbook is designed to streamline some of those "trials" and hopefully make the work of the individual faculty member easier not more complex.

This handbook offers four main approaches to building a strong program through diverse funding sources:

- Grants
- Contracts
- Cost Recovery through Fees for Service
- Private Fund Raising.

The sections of the handbook have been developed by the Revenue Generation Task Force with the organization’s mission, vision, values and goals as our guiding force.

**C. Revenue Generation Task Force**

The Revenue Generation Task Force was appointed in August 2003 by Lyla Houglum, Dean & Director of Extension. The purpose of the Task Force was four-fold:
1. Use the Revenue Generation Principles (March 14, 2003) and suggest a common lexicon for the organization to use in referring to the various types of revenues, i.e. fees, contracts, grants, registration and sales income, consulting, etc.

2. Provide recommendations to address items indicated as other considerations on page 6 of the white paper (Revenue Generation Principles document), for example, what are and what could be faculty incentives for additional energy invested in revenue generation?

3. Create a handbook for faculty and staff on processes for different types of revenue. For example, when to say yes and/or no, what is the process for fee approval and management, grant administration, and roles of OSU offices.

4. Suggest needed staff development and assistance.

Task Force members included:

Mike Bondi, Flaxen Conway, Evie Engel, Peggy Harris, Maureen Hosty, Lynn Ketchum, Mary Mann, Jim Rutledge, Bernadine Strik, Ellen Schuster, Jean Stilwell, Chair. Janet Drollinger also participated in staff development planning.

Contributors to the handbook are: Jean Stilwell, Flaxen Conway, Evie Engel, Peggy Harris, Mary Mann, Ellen Schuster, Mike Bondi, and Aaron Escobar.

The task force conducted its work using small work groups, full task force meetings, review of work from other states and consultation with individual OSUES faculty.

To remain consistent with the Revenue Generation Principles document previously adopted by the Dean & Director’s Cabinet, and within the framework of the organization, it was determined early on that our work must be aligned with the most current version of the OSUES mission, vision, values, and goals.

D. OSUES Mission, Vision, Values, and Goals

Revenue Generation activities must be consistent with the mission, vision, values and goals of Oregon State University Extension (OSUES).

(This section also can be useful when writing grant proposals. Proposal guidelines often require inclusion of the organization’s mission and vision).

OSU Extension Service Mission Statement
Oregon State University Extension engages the people of Oregon with research-based knowledge and education that focuses on strengthening communities and economies, sustaining natural resources, and promoting healthy families and individuals.

OSU Extension Service Vision Statement
Extension leads Oregon State University’s outreach mission by engaging with
Oregon’s people and communities to help create a vibrant future. Oregonians value that OSU Extension is recognized as one of America’s top 5 Land-Grant University Extension systems based on the impact of its work.

**OSU Extension Service Organizational Values**

Oregon State University's core values of accountability, integrity, respect, and social responsibility are standards for our entire academic community. The faculty and staff of OSU Extension strive to support an additional set of values that serve as guideposts in their work.

<table>
<thead>
<tr>
<th>Value</th>
<th>Operating Principles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community-based</td>
<td>We value community relationships and connect OSU to local people and issues to enhance the present and the future of the people and communities of Oregon.</td>
</tr>
<tr>
<td>Results-driven</td>
<td>We focus on achieving measurable outcomes, and document and communicate the impact and value of our work.</td>
</tr>
<tr>
<td>Credibility</td>
<td>We deliver relevant, research-based knowledge through our educational programs.</td>
</tr>
<tr>
<td>Partnerships</td>
<td>We collaborate with academic, public, and private partners to achieve greater results and build community capacity. We value the public good that comes from collaborating with volunteers.</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>We engage with community partners and learners to identify priority issues and needs, design timely responses, and build future capability.</td>
</tr>
<tr>
<td>Diversity</td>
<td>We exhibit respect, value differing perceptions and world views, and encourage diversity.</td>
</tr>
</tbody>
</table>

**OSU Extension Service Goals**

This section presents three major goals with associated strategies, actions, expected outcomes, and indicators of progress. These three goals address the strategic opportunities identified earlier in this document. Central to each goal is the notion of three thematic areas, where Extension faculty, staff, and leadership; faculty and administrators from OSU colleges; and partners and volunteers from outside the University will focus Extension programs and learner educational services. Extension's three thematic areas are *Strengthening Communities and Economies;*
*Sustaining Natural Resources,* and *Promoting Healthy Families and Individuals.* These areas of Extension emphasis are anchored by significant input from Oregonians through a state wide needs assessment conducted in recent years and more recent input from faculty, staff, and external stakeholders. The three thematic areas address the needs of Oregon’s people and communities and support key thematic areas in the OSU Strategic Plan.

These robust themes are supported by the research and educational strengths of Oregon State University, and they encompass our aim of helping Oregonians address critical economic, environmental, and social issues, and helping create a positive future for the state of Oregon and its people. While Extension will progress in many areas, it will prioritize its resources and investments to focus on these themes. For a more thorough description of the three thematic areas, see Appendix 1.
II. POTENTIAL FUNDING SOURCE: GRANTS & CONTRACTS

A. What is a Grant?

A grant is money given to an institution or organization to subsidize a project or program. It is money that is given for a specific project or purpose and typically has specific reporting requirements. Grants are obtained through the submission of a formal proposal.

There are many different types of grants, depending on the source of the funds.

Federal Grants
Federal grants are funds that are made available through federal agencies for specific purposes. These grants sometimes are made as “block grants” to states which are then granted through a proposal process to organizations and institutions, or they are granted through a Request For Proposal (RFP) process. The competition generally is fierce at the federal level, although the amounts granted are generally larger. The Federal Government is the largest source of available grant funds.

State Grants
Some grant funds are available through state agencies, generally through a proposal review process or subcontracting agreements. Competition is usually not as intense for state dollars, although sources of funds are not as easy to find.

Some grant dollars have unique characteristics. For example, The Oregon Family Nutrition Program (OFNP) technically is NOT a grant but is processed through the OSU Research Office. Funds are not provided “up front.” Costs are reimbursed only after expenditures occur.

Private Foundation Grants
According to the Foundation Center, foundations are “non-governmental, nonprofit organizations with funds managed by trustees or directors, which are established to aid social, educational, charitable, religious or other activities serving the common welfare, primarily through the making of grants” to tax-exempt, non-profit organizations.

There are three main types of foundations that make grants:

- Independent Foundation. An organization that is designated by the IRS as a private foundation under the law, the primary function of which is to make grants. The assets of the foundation come from the gift of an individual or a family. These foundations, often referred to as “Family Foundations” are run
by a Board of Trustees who determines the purpose of the foundation and the guidelines for types of activities they want to support.

- Company-Sponsored or Corporate Foundation. A private foundation that derives its funds from a profit-making company or corporation. Its purpose is to make grants, usually on a broad basis, although not without regard for the business interests of the corporation. Corporate Foundations grant the least amount of money nationwide.

- Community Foundation is much like a private independent foundation, however, its funds are derived from many donors rather than a single source. Community foundations often function as “clearinghouses” for donations and bequests that are restricted to specific purposes within a geographic area. For instance, the Oregon Community Foundation administers many scholarships designated by donors for youth in specific towns or counties throughout Oregon.

**B. When Does a Grant Make Sense? How Do I Know When to Seek Grant Funds?**

If you enter “Grant Writing” into a Google Search, you will get 5,070,000 hits (as of February 2004). That means there are an impossible number of opportunities and resources for you to explore.

The place to begin is an examination of your plan of work and future goals.

Some grant opportunities are serendipitous.

Others are carefully thought out projects with numerous partners.

Some grant opportunities might support a portion of the work you are currently doing.

The key is to become familiar with the general process; get connected to several grant identifying web sources, build relationships, and think creatively.

**C. The Basic Rules of Grant Writing**

Grant writing is more an art than science, however there are some basic rules to remember and apply at all times. To gauge if your idea is a good one, you can ask the following questions:

- Is the idea viable?
- Does it provide impact?
• Can we afford to do it (in time and matching resources), even if we get
the grant?
• Can we realistically and effectively carry out the idea from start to finish?
• How does it feel intuitively?
• Is it the right idea at the right time?

Your project goals must match the priorities of the funding source.

Your project goals must meet an identified and documented need; unless it is so
outrageously unique and startling that it is irresistible. These projects are few
and far between.

You should read the guidelines of the funding source thoroughly and follow them
exactly. If they do not ask for supplemental materials such as brochures, videos,
or PowerPoint slides, don’t send them, even if you think it’s a good idea. Stick to
the rules.

If you have questions about the guidelines, call the funding source, unless they
request no calls. Project officers generally are happy to answer questions; it’s
their job; and it makes for better proposals for them to read. However, be
prepared when you call. Be able to succinctly describe your project. Try to think
through ALL of your questions, so you are not calling them repeatedly. They are
busy people, and they get lots of calls.

If you don’t think you have better than a 50/50 chance of getting the grant,
don’t bother. Grant writing is time consuming and tedious. Make them count.
You might even have higher standards: 60/40 or 75/25.

Try to establish personal relationships with people in funding organizations. If
grant makers know and respect your work, they will be more likely to advance
your proposals.

The best way to get good at grant writing is by experience.

D. Getting Organized

If you intend to apply for a number of grants; it will save you time if you are
organized. Your grant writing files should contain:

Background information on OSUES statewide and your county, including, but not
limited to:

• The OSUES mission and vision statements
• A few paragraphs on the history of the organization
• An organizational chart or description of the organizational structure
• Descriptions of our target audiences
• A copy of the current OSUES strategic plan
• A copy of the OSU Strategic Plan 2007

Most grantors require financial information. You should have a copy of the most recent OSUES Legislative Packet which details where our funding comes from and the size of the budget. This is available on the OSUES website:  
http://extension.oregonstate.edu

OSUES does not have separate financial audit statements, however copies of the Oregon University System financial statements will often suffice. These can be obtained through the OSUES Business Office.

You should have copies of both the OSU Foundation tax exempt letter and the OSU tax exempt letter. Copies are found in Appendix IIH.

Your vita should be up-to-date and easily found. The vita will be required in any grant submission through the OSU Research Office. Faculty members should have a shortened version (2-3 pages) for grant submissions.

Organizational brochures and annual reports will help provide background or historical information that might be requested.

Other information you will find useful includes demographic information for the state and your area (available online in the Oregon Blue Book)  
http://bluebook.state.or.us/ needs assessments for your community; and any community plans that are in place.

The Blue Book is the state's official fact book and almanac and can be ordered on-line from the Archives Division. The Oregon Blue Book contains listings and functional descriptions of government agencies and educational institutions. It also features an almanac, maps, facts about Oregon history and elections, as well as information on the arts, media, and other cultural institutions in Oregon. It can provide helpful information in writing grants as well as basic information about Oregon’s state government.

Important & useful web links:
• OSUES Business Unit. For information on Grants and Contracts, OPE rates, OSU tax exempt letter, and more.  
• OSU Sponsored Research Office. For information on proposal preparation and submission. http://oregonstate.edu/research/.
E. Developing A Concept Paper

How can you translate your good idea into a tangible project with concrete goals?

The concept paper is a mini version of your larger grant proposal. It forces you to be succinct and clearly articulate your vision.

Many grantors request a pre-proposal or letter of intent. It might also be called a white paper. These are essentially all the same thing as a concept paper. The paper will generally be a two to five page description of your project.

The Concept Paper covers the questions:
- What is the problem to be addressed?
- How will the project be implemented?
- Why does the project need to be done?
- What resources will be required?

If the funding agency requires a letter of intent or pre-proposal, they will generally tell you exactly what they want included and how long it can be. Follow their guidelines.

Remember, when writing either a concept paper or full proposal, KNOW YOUR AUDIENCE. If you are writing a proposal to a non-scientific source, such as a private foundation, give your story some pizzazz. Make it interesting and high-touch, at the same time providing concrete facts and data.

Contents of a concept paper:
- Project Name
- Introduction
- Statement of Need
- Organizational Background or History
- Project Narrative
- Time Frame
- Budget
- Funding Strategy

For more detailed information on proposal writing and proposal contents, go to the OSU Research website: [http://oregonstate.edu/research/SponsoredPrograms/index.html](http://oregonstate.edu/research/SponsoredPrograms/index.html). If you click on “Proposal Writing Resources,” you will find numerous resources to help you.
F. Finding and Working with Partners

Collaboration is becoming essential to securing grant funds from nearly every source. Those entities granting money want to make sure that they are good stewards of the funds entrusted to them, and they want to avoid duplication and wasted effort.

Most funders see the value in people working together to solve common problems whether it is in communities of interest or communities of place.

Partnerships on grant projects have advantages and disadvantages but are generally expected in the grant world today.

Partnerships, like most human relationships, can be frustrating, challenging, rewarding, fulfilling, disastrous, successful, uplifting, and downright nightmares.

In selecting partners on a grant project, you should consider:

- Do you have a common vision or goal?
- Do you provide balance to the project in terms of skills and resources?
- Can you divide the workload so that it is fair and reasonable?
- What will each partner bring to the project?
- Is there a clearly identified leader for the project?

Grant collaboration takes time and attention to develop the project fully before actually applying for a grant. **Do not rush into partnerships** just to meet the grant deadline. You likely will regret it.

Granting agencies will see through “fake” partnerships, or partnerships on paper only. Letters of support are different than creating long-term partnerships.

G. Grant Research Tools

How do you find grant opportunities that match your idea or project? Again, there are thousands of sources for grant writing research. (2,020,000 hits on “grant research tools”). We will try to highlight a few that would be most useful to Extension faculty, but do not be afraid search for new resources based on your area of interest.

**Federal Information Sources**

The majority of federal agencies have information about current grant opportunities on their website. Appendix IIF lists a number of federal websites that Extension faculty should be aware of.
If you really want to be on top of things, monitor the Federal Register daily. Published by the Office of the Federal Register, National Archives and Records Administration (NARA), the Federal Register is the official daily publication for rules, proposed rules, and notices of federal agencies and organizations, as well as executive orders and other presidential documents. Check out the website at: http://www.gpoaccess.gov/fr/

Everyone Should Get to Know CSREES
CSREES is the Cooperative State Research, Education, and Extension Services division of the United States Department of Agriculture (USDA). Its mission is to advance knowledge for agriculture, the environment, human health and well being, and communities. Its primary functions are to:

- Provide program leadership to identify, develop, and manage programs to support university-based and other institutional research, education, and extension.

- Provide fair, effective, and efficient administration of Federal assistance implementing research, education, and extension awards and agreements.

Visit the website http://www.csrees.usda.gov/ and click on the “Funding Opportunities” selection on the homepage.

State Information Sources
In general, state funding opportunities through specific agencies is less accessible. In the current state budget climate, there are very limited resources that are offered competitively. The best strategy is to clearly identify and get to know state agency heads or program staff on a personal basis. As funding becomes available, you will be more likely to hear about it. In some cases, OSU Extension is the primary education provider for a state agency or state program. An example would be the Extension OFNP program, providing educational services for the Department of Human Services.

- Private Foundation Information Sources
  There is an abundance of information in print and on the web about private foundations.

  The Extension Marketing and Fund Development Leader maintains a small library of Foundation information resources. Available for short-term loan are:

  This reference provides information on the finances, governance, and giving interests of the nation’s 10,000 largest grant making foundations.

Oregon is not particularly foundation rich, especially when compared to states like New York and California. Oregon is home to about one percent of the foundations in the country. Additionally, most of the foundations in Oregon are small, making less than $5,000 in grants each year. Only the Meyer Memorial Trust in Portland rates among the largest U.S. foundations.

Please note: The Meyer Memorial Trust only officially accepts one proposal from OSU each year. Requests to be considered for the Meyer Memorial Trust grant proposal should be directed to Aaron Escobar, the Development Officer for Extension Service at the OSU Foundation.

Oregon is fortunate, however, to have a large family foundation that is dedicated to the issues of rural Oregon. This is The Ford Family Foundation in Roseburg. This foundation is particularly interested in creating vital rural communities, rural community leadership development and youth programs. Please contact The OSU Foundation Development Officer for Extension for more information. This foundation will not support urban initiatives.

The Guide to Oregon Foundations 2002 contains information profiled from the IRS 990 tax forms filed by private foundations. Any Oregon foundation’s tax return can be viewed at the Oregon Attorney General’s office, Charitable Trust Division.

A great resource for researching private foundations is The Foundation Center, on-line at http://www.fdncenter.org/ Part of the database is searchable at no-cost; more sophisticated services can be purchased.

The Foundation Center also offers training opportunities and print resources.

The Grantsmanship Center is also nationally known and respected for its training and publication resources. http://www.tgci.com/. On the Grantsmanship Center website, you can view abstracts of winning proposals, and purchase copies of the winning proposals you want to review.

Corporate Giving Information Sources

Unless a corporation has its own foundation for grant making, corporate giving information can be difficult to obtain.

Businesses and corporations can be good prospects for donating goods and services rather than money, especially if they can gain some public recognition for their contributions. Corporations often encourage their employees to become involved in the community by volunteering and organizing employee-driven contribution efforts.
If a corporation is not donation-minded, they might be interested in using part of their marketing budgets to provide co-op advertising or sponsorship of an event or program.

**H. General Research Tools**

Every Extension faculty member should be registered with the Community of Science search mechanism.

*The Community of Science* (*COS*) Funding Opportunities is an online resource to identify funding information related to research, collaborative activities, conferences, fellowships, operating or capital grants, and more. Sources of information in this database are federal and state governments, foundations, professional societies, associations, and corporations.

Oregon State University is a member of COS, which means that OSU faculty can sign up to receive email notifications of grants that match your areas of interest at no cost.

Faculty can register at: [http://www.cos.com](http://www.cos.com) and click on “Login/Join”.

**You Should Also Know About FEDIX**

Another free source of information about grant opportunities is available through the Federal Information Exchange Database of RFPs (FEDIX).

This service is provided by the Federal Information Exchange (FEDIX) in cooperation with the U.S. Department of Energy. A consolidated database of RFPs, grants, fellowships, scholarships, or other funding opportunities from the Departments of Energy, Agriculture, Transportation, Veterans Affairs, and many other federal agencies will generate an e-mail notification of funding opportunities to subscribers.

Registration requires subscribers to outline the type of funding opportunities to be targeted. This process can take up to 30 minutes. To subscribe, go to The FEDIX home page at: [http://www.fie.com](http://www.fie.com)

**I. Proposal Preparation**

After writing a concept paper or pre-proposal, the full proposal will be much easier to construct.

Once you are ready to build the full proposal, the main thing to remember is to follow the guidelines and instructions explicitly.
The type of proposal you are writing determines the appropriate style and approach. Allow at least 6-8 weeks to develop a well-written proposal; longer if it involves several partners or is especially technical. If your proposal requires several signatures from university officials, alert them to your deadline and provide drafts for their review if needed. Stay in touch with people regarding their schedules so you are not surprised when you need a signature and they are out of town or on vacation. Everyone will be happier and more cooperative if you don't wait until the last minute.

Accurate and realistic budget preparation is critical to the success of your project. Involve the appropriate budget personnel in your program area or college to make sure you have accurate figures. Benefit rates for personnel are constantly changing. If a funding match is required by OSU, you must make certain that matches are allowed on the categories you select.

If you intend to produce publications, videos, multi-media projects, or other educational materials as part of the grant, get accurate estimates of the cost of production. Contact Extension & Experiment Communications (EESC) for assistance with planning your publications.

In addition, if your grant project requires hiring additional personnel, the costs of recruitment must be included in the proposal (Extension Administration is no longer bearing the costs of recruitment for grant personnel).

Write to the audience. In many cases, you will not know who the reviewers or readers will be. Do not assume that your reader understands the academic discipline you are in, unless you know that there will be peer reviewers of the proposals.

Especially when approaching private foundations, write for a non-academic reader.

A good strategy is to have several colleagues read your proposal for clarity. A combination of readers who know your area of work, (and some who are unfamiliar with your work) will give you a cross-section of ideas from your readers and reviewers. Provide readers with copies of the proposal guidelines so they understand the parameters of the grant.

Some proposal reviewers have said that their initial “read time” of proposals is 20 minutes. If they are not intrigued enough to spend more time on the proposal, it is disregarded. This will, of course, depend on how many proposals are in competition with yours (don't assume the reader will read every word with great interest).
What does this suggest? Think about using:

- Interesting headings
- Shorter sentences
- Clear, concise language
- A strong and intriguing project title
- White space on the page
- Data to back up your statements
- NO jargon, clichés, or acronyms

The intent of the proposal is to convince the reader to fund your project; but not through flowery phrases or intimidation. The need for the project and the impact it will provide are most important. Generally, the proposal must first educate the reader about the problem or need, then convince the reader that the approach you are suggesting will contribute to a solution of the problem.

Make sure your budget and budget narrative match the work plan. What you plan to do in the work plan should be clearly connected to the money you ask for.

**Budget Preparation**
The type of budget presented will vary by funding agency or organization. Federal grants will generally require more detail than private foundations. In any case, it is better to provide more detail rather than less.

The budget is a listing, by category and individual item, of the financial resources needed to carry out the project. The budget is critical to both the project director and the proposal reviewer. It should follow exactly the rules of the funder as well as the policies of the university.

**Basic Budget Terminology**
Direct costs are those expenses specifically needed to carry out the project and can be charged directly to the grant. These would typically include salaries for project personnel only (not secretarial support), travel costs associated with the project, contractors, room rentals, publication costs, and equipment.

Indirect costs are those expenditures not readily identified but are naturally incurred by the project such as facilities costs like lights and heat. There is an institutional rate charged for indirect costs. This might also be called administrative, or facilities costs (F&A).

Please note that the indirect rates charged through OSU's Office of Sponsored Programs is determined through negotiations with the federal government. It is not set arbitrarily by OSU.
Additional definitions can be found in the Glossary of Grant Terms in Appendix IIC. When in doubt, check with your budget officer or OSU Sponsored Programs.

The current indirect rates for Extension programs are posted on the website below. This rate is subject to change and is different for on-campus and off-campus projects. Check the website at http://oregonstate.edu/research/SponsoredPrograms/rates.html#ope for the most up to date information. When preparing your grant application, the indirect rate amount should be built into the project budget. This amount is retained by OSU if the grant is awarded. A portion of that indirect rate is typically returned to the dean of the college in which the faculty resides. The deans of the individual colleges then determine what happens to their portion of the returned overhead. Many funding agencies do not pay the full indirect rates charged; this is acceptable to OSU Sponsored Programs if they have documentation.

Cost sharing or matching funds refers to the costs in the proposed budget that will be matched or shared by the applicant organization. Many grant funders require a specific match amount by the applicant. If a match is not required, do not show one in the budget or in the narrative.

When matching funds are required, they should be carefully considered. The matches must be accounted for and the organization is required to document the matches. Think carefully about matching commitments, make sure that none of the project personnel are matched beyond 100% from all sources and that match funds come from non-federal sources; in other words federal funds cannot be used as matching. Work with your teammates and your budget officer to construct the matching requirements.

The budget justification or budget narrative explains how you arrived at the numbers in your budget. It provides detailed information about the categories and general assumptions and shows the reviewer how you arrived at the budget figures.

**J. Proposal Submission**

Every Extension faculty person should be familiar with the OSU Research Office’s website. The section of the website dealing with Proposal Submission is below:

http://oregonstate.edu/research/SponsoredPrograms/submission.html

This website contains policies and guidance documents, current indirect and OPE rates, proposal information, all of the necessary forms required by their office, and information about electronic proposal submission.
The OSU Office of Sponsored Programs (or Research Office) describes its function as follows:

“The Office of Sponsored Programs and Research Compliance (OSP) has central responsibility for proposal submission for sponsored research, scholarship, instructional and other activities at Oregon State and for research compliance related to sponsored activities. OSP balances service to OSU faculty and staff, university administration, and the numerous organizations that sponsor Oregon State University activities. Functions include proposal review, monitoring institutional compliance with terms and conditions, official institutional signatory, policy and procedure development, training, compliance activities related to research administration, and general funding opportunity assistance.”
A key function to note is “official institutional signatory”.

Whether OSU is paying money, receiving money, formalizing general understandings, submitting a grant proposal, contracting for goods, or contracting for personal or professional services, there are only 11 people at the university with authority to sign these types of documents. Your department, program, or college/county representative may request to sign off, but the document MUST have an official university administrator's signature... or you will be financially liable yourself!!!

**How Do I Know Which OSU Office to Go To When Submitting Proposals?**

*The Office of Sponsored Programs and Research Compliance*
If you are applying for federal or state funds, you are required to use the Office of Sponsored Programs and Research Compliance at OSU. [http://oregonstate.edu/research/SponsoredPrograms](http://oregonstate.edu/research/SponsoredPrograms) Locate “Prior Approval Request Form” and a “Proposal Check-Off Sheet” on its website.

The Proposal Check-Off Sheet is often referred to as the “blue sheet.” Both forms require signatures from authorizing officials. Faxed signatures are accepted, but plan well in advance of your deadline to get these signatures.

The reason this office must authorize the submission of grant proposals is because they are the “official” representatives of the university who accept responsibility for grant agreements. They must make sure that all federal and state regulations are followed in accepting grant funds.

Anyone other than this office who accepts federal or state funds under the name of Oregon State University is acting outside the authority of the university and will accept personal responsibility for any misconduct or misappropriations of funds. It is not a responsibility that should be taken lightly.
When donors or funding agencies do not allow for indirect rates to be charged, the Office of Sponsored Programs and Research Compliance will accept grants and gifts that benefit the university without charging the indirect cost rate. A letter is required from the funding source that says they do not pay indirect costs. Even some federal agencies have maximum amounts of indirect that they will pay. Exceptions are made by the Research Office when appropriate.

**The Oregon State University Foundation**

Many funding agencies, especially private foundations, will require that the organization receiving their grants be 501(c)(3) organizations. This refers to the IRS designation that means the recipient is also a non-profit organization.

The Oregon State University Foundation is a private, non-profit corporation affiliated with the University. It is a 501(c)(3) organization. All fundraising and investment activities of the Foundation benefit Oregon State University. The Foundation assets and earnings are distributed to colleges, departments, and programs of the University per donor directions or, if funds are unrestricted, per the direction of the Foundation’s volunteer Board of Governors in response to priority requests from the President of the University.

If you choose the OSU Foundation as the organization or unit to receive your grant, you will need to have a “fund account” at the Foundation as the receptacle for the money when it is received. Depending on the purpose or use of the grant, your county office, department, or college, might already have an account that could be used. You should contact the Extension Service Development Officer at the Foundation before you apply for the grant.

If faculty or staff salaries are part of your grant application, it is not advised that you use an OSU Foundation account. Because the Foundation cannot pay salaries directly, it complicates the accounting procedures to transfer the money to the university for payroll accounting.

The OSU Foundation is best utilized for outright gifts to your program or county office where there are no strings attached or formal reporting procedures. It also can be used for private foundation grants where the reporting standards are less stringent or less complex than other types of grants.

**The Ag Research Foundation (ARF)**

The Agricultural Research Foundation was established in 1934 to encourage and facilitate research in all branches of agriculture and related fields for the benefit of Oregon’s agricultural industry. The Foundation is the custodian of privately and publicly donated research funds used to support projects conducted at Oregon State University and throughout the State. The Foundation is exempt from federal and state income taxes under Section 501(c)(3) of the Internal
Revenue Code. The ARF is a corporate affiliate of Oregon State University, **not the OSU Foundation**, therefore gifts and grants also can be received from private foundations.

Many Extension Service faculty members have accounts with ARF. ARF will assist with proposal submission (following OSU Research Office guidelines) and management of research funding from gifts, grants, and small workshops. Although ARF does not pay salaries directly, mechanisms are in place to pay salary support through OSU Index accounts. ARF does not charge management fees on in-state or regional (Washington, Idaho, Nevada, or California) contributions from private individuals, companies, corporations, state commodity commissions, or grower associations. A management fee of 2% will be charged for small workshops and 5% on all out-of-state contributions. If an organization does not pay overhead, indirect costs, or management fees, notification from the funding source will suffice. All funding to ARF is restricted to the intended project(s) and designated to be used by specific principal investigator(s) or county faculty.

Contact Dorothy Beaton, executive director, Dorothy.Beaton@oregonstate.edu or (541)-737-3228 to find out if the Agricultural Research Foundation is appropriate for your projects.

**The 4-H Foundation**
The Oregon 4-H Foundation is a non-profit educational organization, 501(c)(3). It provides financial assistance to 4-H youth programs in Oregon from private sources.

In the past 5 years, the Oregon 4-H Foundation has provided more than $3 million to enhance Oregon 4-H educational activities. 4-H members, volunteer leaders, clubs, county and statewide programs all have benefited from Foundation support.

The Oregon 4-H Foundation owns and operates the Oregon 4-H Conference and Education Center. The Center is a special place where young people can meet to create lasting memories and friendships. The Oregon 4-H Foundation was incorporated in July of 1957 with a 9-member board to provide financial support for the 4-H program from private sources.

Presently, the Foundation has a board of 30 trustees who solicit, receive, and administer private contributions to 4-H programs. The Board of Trustees is responsible for conducting the business and controlling the property of the foundation. An Executive Committee of 8-10 members is responsible for the day-to-day operations of the board. The Oregon 4-H State Program Leader is an ex-officio member of the Board and Executive Committee.
The Foundation has three standing committees to help in management of the Foundation: Center Development, Finance, and Long Range Planning and Nominations. Committee membership includes both trustees and non-trustees.

In 1990, the 4-H Foundation became an Associate of the OSU Foundation. The OSU Foundation manages the donated funds and provides legal, accounting, bookkeeping, data management, and trust administrative services to the 4-H Foundation. At present, the endowment accounts of the 4-H Foundation total more than $2.5 million with endowments for both county and statewide programs.

Any 4-H faculty preparing grant proposals should first contact the 4-H Foundation Development Officer or the 4-H Program Leader to avoid duplication of requests to any one funding source. County grant proposals are submitted on behalf of the county by the 4-H Foundation to lend credibility and accountability to the proposal, as well as ensure coordination of funding requests.

**K. Grant Fund Management**

Proper grant fund management requires knowledge of accounting rules and policies of the university as well as the granting agency. You should work closely with your unit’s bookkeeper, office manager, or other budget officer to make sure you are following the rules and getting the right structure in place to keep track of grant-related expenses, which all takes careful time and attention.

Many granting agencies will allow a certain percentage (sometimes up to 10%) of the budget to be changed without notification. If there are significant changes to the budget needs for the project, notify the project officer immediately and work through any necessary procedures. **DO NOT** wait until the end of the grant to explain or spend resources in ways that are different than what you said you would do. It could prevent you from getting future grants if it appears you are not responsible or truthful about spending the money.

**L. Grant Reporting**

Usually, the grant reporting guidelines are explicit within the grant award letter or in the grant specifications. It is important to meet the deadlines and provide the required reports.

Private foundations will not always require a report at the end of the grant period, but it is professional and courteous to provide a brief summary of activities and any outcomes at the end of the grant period. Keeping foundation officers informed of your work and progress will certainly help with future requests.
Contracts

There are many types of contracts that Extension offices must deal with, but for the Revenue Generation Handbook, we will concern ourselves with the contracts (or memorandum of understanding) that faculty sometimes use to conduct work for a fee.

For complete information about all types of contracts, go to the OSU Business Services website at http://www.business_services.oregonstate.edu

M. What is a Contract?

A contract is an agreement between or among people to exchange goods or services for payment by a certain time within certain conditions. Generally, whenever someone asks you to sign something, presented as formal or informal, in which we (OSU, or an employee of OSU) are obligated to do something, that document is a contract. It might also be called a memorandum of understanding, cooperative agreement, or grant.

N. Who Can Sign a Contract?

While contracts can be co-signed by a departmental representative (department head), they also must be signed by a Contract Officer. Any document that obligates the University (or a University employee acting in a University-employed capacity) to do anything must be signed by a Contract Officer of the University to be legal, binding, and valid. Again, to be valid, and to assure the institution will stand behind the contract in terms of payment or liability, all contracts must be signed by an OSU Contract Officer.

The Legislature and Board of Higher Education have been very conservative in delegating authority to sign contracts. Eleven (11) people at OSU can legally bind the institution. Anyone who signs a contract without a co-signature by or authority from one of those 11 university administrators may incur personal liability.

When you need an agreement signed for you, obtain the signature of your college department head, then send the document with three copies to the Contract Office, 306 Kerr Administration Building.

O. Different Types of Contracts

Research Contracts. A research contract is usually an agreement whereby an agency or firm commits to reimburse OSU's expenses to accomplish very specific objectives. Research contracts usually have some specific clauses related to
intellectual property and ownership of results and, therefore, have specific areas of risk associated with them. Many of these contracts are reviewed by the Technology Transfer Office.

**Cooperative Agreements.** These are agreements by one or more outside agencies to reimburse at least a portion of OSU’s expenses and to expend some of their own resources to accomplish mutually developed research objectives.

**Interagency Agreements.** This is an agreement between two different agencies of the State of Oregon (e.g., an agreement whereby OSU provides some consulting services to the Oregon Department of Forestry). Because state agencies can’t sue each other, these are low-risk agreements. The important factor is that the agreement states clearly the expectations of each party. Beyond that, these are very simple agreements.

**Intergovernmental Agreements.** This is any type of contract entered into between two different governmental units (e.g., a contract between OSU and the Salem School District for educational teaching internships). If the agreement is between two governmental units of different states or nations, the contract must be reviewed and approved by the Department of Justice prior to being signed. Because transactions between different states or nations tend to be somewhat complex, interstate, or international Intergovernmental Agreements tend to be somewhat higher in risk.

**Memorandums of Agreement (MOA), Memorandums of Understanding (MOU).** These are agreements that are usually presented as informal and are often understood to be precursors to a more formal contract. These are sometimes used between public agencies (see above). During their review, the Contract Office will determine if the details of the agreements require them to be reviewed and approved by other parties prior to their becoming effective. Because these tend to be agreements of overall concepts and an “agreement to agree,” they are usually relatively low in risk.

**Personal Service Invoice (PSI), Personal/Professional Service Contract (PPSC).** PSIs and PPSCs involve hiring of individuals or firms to provide personal or professional services that fall into a specific definition usually involving high levels of expertise, experience, or artistry. Some examples include artists, doctors, and architects. PSIs and PPSCs are usually developed on specific forms available through the Contract Office web page (www.contracts.orst.edu).

**Subcontracts.** A subcontract is typically a contract between OSU and another institution in support of research at the other institution. This may end up being an interstate Intergovernmental Agreement and so may require Department of Justice approval. The Contract Office is very experienced in reviewing the
supporting research contract for required flow-down terms and conditions and incorporating them into subcontracts. These contracts are written by the Contract Office.

The OSU Contract Office always is willing to help with these issues and any other questions or clarifications related to contract language or specific clauses. Just call the Contract Office at 541-737-4712 or 541-737-2373.

There are many sample agreements and applicable forms on the website at: www.contracts.orst.edu
III. POTENTIAL FUNDING SOURCE: COST RECOVERY

A. What is Cost Recovery?

Cost recovery refers to the process of charging a fee to the user of a particular program or service in order to recover a portion or all of the costs associated with delivering that program or service.

B. Why is Cost Recovery Important?

Recovering costs on some Extension programs is a new way of doing business that is unfamiliar to many units of the organization, while others have been utilizing some method of cost recovery for several years.

The greatest resources of the Extension Service are our human resources. The average cost of employing an Extension faculty person is $119,000, including benefits and a minimal service and supply budget. Not only is there a financial need to recover some of our program costs, but there are additional benefits, as well.

Participants who pay a registration fee in advance are more likely to attend, rather than canceling at the last minute. Placing a monetary value on our services can add value in the perception of the educational marketplace. Charging fees can attract new clientele in certain areas who might value services more when they pay for them. Recovering program costs can add revenue back into the academic areas that support us. This can mean increased human resources to provide growth in educational services. Charging fees can increase our organization’s esteem and help us value our work in a different way.

C. Cost Recovery Principles for OSUES

1. Cost recovery methods should be consistent with the mission, vision, values and goals of Oregon State University Extension (OSUES).

2. Cost recovery is not a new concept for OSUES. However, user fees currently represent less than 1% of the OSUES general operating budget. Examples include publication sales, registration fees for conferences and workshops, charges to Oregon industries for assistance by Extension staff, charges to other agencies for OSUES staff providing training.

3. Because public support for OSUES is not keeping up with the needs of the state, the goal is to increase cost recovery efforts to maintain and grow OSUES services/programs.
4. There is not an expectation that a user fee will be charged for every Extension program, service or activity.

5. The mechanics of cost recovery should be kept as simple as possible. We want to avoid added administrative burden.

6. Current Federal Cooperative Extension Service regulations state that user fees should not be charged for "basic educational services" -- those services which are for the public good. However, these regulations further state that fees may be charged for "enhancements to basic programs". We need to monitor changes at the Federal level and communicate those changes to faculty.

7. Provisions must be in place to reduce or waive fees with individuals or organizations on the basis of special circumstances.

8. As a unit of Oregon State University, which is a non-profit educational institution, OSUES is not allowed to make a profit. However, individual programs or events might exceed the projected revenue if participation exceeds expectations, or the market bears a price beyond cost recovery.

9. Cost recovery, like other revenue generation options, is a core value for OSUES and therefore is the responsibility of all OSUES faculty and staff to determine what fees, if any, need to be charged or cost recovered. The following definitions, policies, procedures, and tools are available to help make the decisions easier.

**D. Public Good vs. Private Good**

There are many different philosophies throughout OSUES and in other Extension Service organizations in the nation about how and when to assess user fees based on the program’s contribution to the public good.

While there are no clear-cut definitions of how to distinguish between programs that benefit the public good versus strictly private good, we have identified three categories of programs that can help determine the level at which user fees should be assessed. As the program leans toward strictly being offered for the private good; full cost recovery can be expected.

The following table reflects characteristics of Extension programs that benefit particular audiences.
Extension offers programs and services that fall within one of these three areas. If an Extension program or service cannot be clearly defined as within one of these three areas, the Extension professional should work with his or her leadership team to determine which costs, if any, need to be recovered.

**What do we mean by a “targeted” audience?**

This can be a difficult question, since to some extent we could surmise that every Extension program is targeted to a particular audience. One way to define it is to evaluate the broadest definition of your target audience and then determine if your program or event targets a subset of that audience. For example, if you are serving the broad audience of “youth”, is your program or event for all youth or a subset of youth, such as horse owners? Or, if your broadest audience is “all people interested in clean water”, is your specific program or event for “landowners interested in clean water”? The more narrowly the audience is defined, the more likely the event is for the private good.
E. The Five-Step Process in Program Cost Recovery

1. Develop educational program and program budget (program is defined as an event, activity or series of activities).
2. Identify program level (In which category does it fit? See descriptions below).
3. Determine fee for program and gain necessary approvals from supervisors
4. Collect and manage the funds
5. Report to supervisors as required

Step 1: Developing an educational program, event, or activity and its budget
In Step 1, you decide what you want to do, develop the program, identify the target audience, and prepare a budget for the program.

Step 2: Identifying program level
Once you have decided what you are going to do and who the target audience is, you should determine which level the program fits into. The following chart identifies the type of recoverable costs that are associated with each category. When considering what costs are to be recovered, you can use this chart to guide you:

<table>
<thead>
<tr>
<th>PROGRAM CATEGORIES AND RECOVERABLE COSTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROGRAM LEVEL</td>
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<tr>
<td></td>
</tr>
<tr>
<td>Level 1: Public Good</td>
</tr>
<tr>
<td>Level 2: Targeted Public Good</td>
</tr>
<tr>
<td>Level 3: Private or Exclusive Good</td>
</tr>
</tbody>
</table>

*Level 1*-These are programs/services fundamental to the mission of Oregon State University Extension. These programs would be offered at no charge and have no need to recover even service and supply expenses, or there is a need or opportunity to recover some materials, supplies and other program delivery costs such as refreshments or room rental.

*Level 2* – These are programs/services that are targeted and context specific. They would be offered at a charge to cover out-of-pocket expenses plus personnel and travel costs.

*Level 3* – These are programs/services designed for a specific individual, group, or business. The benefits accrue primarily to the individual or narrowly defined group. These programs would be offered at a charge to cover all program expenses, personnel and travel costs, and administrative or indirect costs. It is
anticipated that the majority of these programs or services would require a contractual agreement.

**Note: Every Extension program or service falls within one of the three levels identified and it is expected that when applicable, the fees will be collected, tracked and reported accurately. (Programs or services supported by grant funds are delivered according to the guidelines of the grant.)**

If an Extension program or service cannot be clearly defined as within one of these levels, the Extension professional should work with their leadership team to determine which one fits the best and which costs, if any, need to be recovered.

**Step 3: Determining the Fee and Gaining Approval**

There is an annual Oregon University System process for fee-setting that is subject to public input and Higher Education Board approval. Within this system-wide process, the Extension Service is already broadly covered, so that we can charge a range of fees, depending on the audience served. This process is coordinated annually for Extension by the OSUES Budget and Fiscal Manager.

The individual faculty member should use the budgeting tool provided in this section to determine individual program fees. The fee will be set after determining the direct and overhead costs associated with program delivery (see Appendix IIID.)

Before delivering a fee-based program, faculty should consult with and gain approval from his/her staff chair and program leader. The Extension Fiscal and Budget Manager should be informed of these fee-based programs and should also be used a resource when determining fees.

It should be noted that Level 1 and 2 programs can only be based on cost-recovery. Profits cannot be made at these levels. Level 3 programs or services can be delivered at the market rate; but at a minimum they should be at **full cost recovery.**

**Step 4. Collecting and Managing Money**

Every Extension professional should know and communicate frequently with his or her unit bookkeeper and follow University accounting procedures as directed by the accounting professionals.

There is a policy on cash handling procedures on the OSUES Fiscal and Budget Office website [http://extension.oregonstate.edu/esoc/ebu/index.php](http://extension.oregonstate.edu/esoc/ebu/index.php). Anyone in the organization who handles cash should be familiar with this.
Revenues collected from fee-generating programs should be returned to the accounts where the expenses occur. The fees are intended to recover costs, not create new workshop accounts or other personal program-delivery accounts.

In the case of Level 3 programs, where profits can occur, it should be determined by the Extension Dean & Director, along with appropriate Leadership, where the profits go.

**Step 5. Reporting to Leadership**

A quarterly report should be prepared by each faculty member generating revenue for staff chairs and program leaders, detailing programs delivered, audiences served, and revenue generated. The Program Leaders should provide a summary report to the Extension Executive Team at least annually.

**F. Communicating With Audiences & Partners**

Extension faculty will likely be the best judges of what to say in specific situations. If it is an audience that we have worked with for a long time, we would ask for their understanding in the organization’s need to begin charging fees for certain programs.

**Some possible messages:**

“In reality, we are tax assisted, not tax supported. The full cost of delivering programs is not always covered by federal, state or county funds.”

“The Extension Service wants to serve many audiences well. We have developed a fair and reasonable approach to determining what programs to charge for and which ones are delivered at no cost to the public.”

“The Extension Service does not just deliver information; we help individuals and groups put the knowledge to work. These are time-intensive and costly processes.”

**What Not to Say:**

“I think this is wrong but I have to do it” or “Yes, this stinks”.

“If it weren’t for the legislature cutting our budget, we wouldn’t have to do this.”

**G. The Policy on Waiving Fees**

In cases of hardship (determined on a case-by-case method), individual faculty members can select to waive fees for particular individuals in Levels 1 and 2 programs. Level 3 fees should not be waived under any circumstances.
IV. Potential Funding Source: FUND RAISING

A. What is Fund Raising?

Fund raising is the process of asking individuals, corporations, and/or private foundations for gifts of money or other resources to support a particular project, program or “cause”. These activities frequently are referred to as “development activities”. The terms “development” and “fund raising” often are used interchangeably.

B. Fundamental Principles of Fund Raising

Successful fund raising programs are based on:

- A large base of donors, supporters, volunteers, members and friends
- Long-term relationships between supporters and the organization
- A wide variety of choices for donors
- Ethical and honest relationships between organizations and donors
- Clearly identified funding priorities and how donors can participate
- A high degree of organizational accountability

OSU Extension has developed a set of operating principles regarding fund raising in this organization. These principles are contained in Appendix A at the end of this section.

C. Fund Raising in OSU Extension

There are many different types and levels of fund raising activities within OSUES. Some activities are more complex than others. The newest arena for OSUES is major gift or planned gift fund raising. The Extension Service has not traditionally been identified within the University as a unit that could be offered to donors as a recipient of major gifts. That is changing!

OSUES now works with a Development Officer at the OSU Foundation who, along with OSUES Administration, is actively engaged in fund raising for Extension’s statewide programs, through direct mail, special events and major gift solicitation. OSUES will participate fully in the University’s capital campaign when it is launched.

D. Local Fund Raising Activities

Faculty and volunteers in the Extension 4H and Master Gardener programs are the most active local fund raisers in the organization. They actively solicit donations of cash and in-kind gifts to directly support local programs.
Some typical examples of local or county-based fund raising are:

- A local grocery store provides food and beverage for a program or event.
- A plant sale is held every year to support the Master Gardener program.
- 4-H leaders sponsor a raffle to help 4-H youth attend camp.
- A local business provides supplies such as gloves and garbage bags for “community clean-up day”.
- Memorial gifts are made to the county office when a long-time supporter passes away.
- Individuals make cash gifts (generally less than $1000) to the local office for special projects.

E. Major Gift Fund Raising

The Extension or College Development Officer from the OSU Foundation should be involved in any major gift solicitation that occurs at the local level. It is imperative that Foundation officials are involved so that information provided to donors is accurate, so that gifts are handled according to IRS regulations, and so that donors are not receiving multiple requests from university units.

Local faculty and volunteers can be very helpful in identifying potential donors who have particular charitable interests. Foundation officials should be contacted when a prospect is identified so that the potential donor can receive appropriate information and be included in social events that might occur in their area.

OSUES faculty are not expected to become major gift fund raisers. However, it is helpful to be aware of some of the ways that donors can make significant charitable gifts.

The following are some of the typical ways that donors make major gifts to the university.

Planned Gift Options

*Gifts of Securities*
Gifts of appreciated stock or other securities can be ideal gifts to the OSU Extension Service. If the stock has appreciated significantly over the years, the stock can be donated instead of cash to bypass capital gains tax. This may be a significant charitable tax deduction.

*Gifts of Real Estate*
If you own a home or other property you no longer wish to occupy or manage, you may find that a gift of this property can be an efficient way to make a
charitable gift. To realize the full charitable benefit of the gift, the property must be mortgage free.

**Bequests**
A bequest is a gift made through your Will or Living Trust. After providing for the needs of loved ones, you can also provide gifts for your favorite charitable and educational organizations. Through your Will, you can make a gift of a dollar amount, a specific property, a percentage of your estate, or the remainder of your estate after other gifts are made.

**Retirement Accounts**
The OSU Foundation, for the benefit of the OSU Extension Service, can be named as a beneficiary of any of your retirement funds, whether from a company pension plan, an Individual Retirement Account (IRA) or a combination.

**Life Insurance**
Life insurance is an especially flexible planning tool that can be used to meet a variety of personal and financial needs. There are several ways to use life insurance as a charitable gift. You can name the charitable organization as beneficiary of a policy you currently own; you can donate a paid-up policy by changing the owner and beneficiary; or you can donate a policy on which you are still paying premiums.

**Charitable Gift Annuities**
Under the terms of a gift annuity, you make a charitable gift of cash or other property. You, and/or others, then receive fixed payments for life. The payments continue, regardless of how long the recipient lives. The amount used to fund your gift annuity may also be free of gift and estate taxes.

**Charitable Remainder Trust**
A charitable remainder trust provides for a gift that returns an income. The payout percentage to beneficiaries is made when the Trust is formed. Each year, this percentage of the value of the trust assets is paid to you or other beneficiaries. Upon the death of the income beneficiaries, the charitable organization receives the assets from the trust to use as designated by the donor.

For more information, please contact the OSU Extension Service Development Officer or Planned Gifts Officer at the OSU Foundation.

The Oregon State University Foundation is a 501(c)(3) non-profit organization, whose sole purpose is to support Oregon State University through gifts from individuals, corporations and foundations.
F. County Endowments

A few county offices have established long-term strategies for private fund development. Establishing a county endowment fund can provide a receptacle for major gifts that are made to benefit the specific county programs.

An endowment fund is created with gifts that are invested with the stipulation that only the interest earned on the fund can be spent. These gifts continue to benefit the non-profit organization in perpetuity. $10,000 is the minimum amount required to establish an endowment fund at the OSU Foundation.

County Endowment Example:

Clackamas County Extension Endowment Fund
By Michael C. Bondi, Clackamas County Extension Agent—Forestry, Christmas Trees & Staff Chair, Oregon City, OR
and Aaron Escobar, Director of Development, OSU Foundation, Corvallis, OR

Background

Decreasing local financial support for Extension programming during the 1990s became a significant concern of Clackamas County’s Extension Advisory Council in the latter part of the decade. One of the Council’s program planning goals for 1998-99 was the generation of supplemental funding resources to augment the County budget allocation Extension receives annually. Two needs were identified: 1) short-term funds to extend the annual budget provided by the County and, 2) long-term generation of funds to sustain current programs and grow new ones through an endowment.

In October, 1999 the first Clackamas County Extension Auction was held. Proceeds from this event were used to enhance educational programs in the county. The auction has continued for the past five years generating about $3,000-7,500 per year. These dollars are prioritized by staff at the Clackamas County Extension office based on current needs. A non-profit, 501 (c) 3 organization, the Clackamas County Friends of Extension (CCFOE), formed to manage this annual fund raising campaign.
During 2000-01 an ad-hoc group formed to explore—and later create—the first county-wide Extension endowment program in Oregon. The purpose was to develop a long-term larger pool of financial resources, available on an annual basis and in perpetuity, for the support of all OSU Extension activities in the county. The endowment is managed by the OSU Foundation and is titled: Clackamas County Extension Innovation Fund.

An Endowment Committee was formed to oversee this project. Originally a committee within the Clackamas County Extension Advisory Council, the Endowment Committee is now responsible to the Clackamas County Friends of Extension. The CCFOE is coordinating all fund development activities in the county that support and enhance OSU’s Extension programs.

**How the Endowment Fund Works**

An endowment fund can be managed by individuals, through private organizations, or through the OSU’s Foundation. The Clackamas County group chose to work with the OSU Foundation due to their reputation within the OSU community and their expertise and professional assistance that could easily be accessed for potential contributors.

In order to create an endowment fund within the OSU Foundation, a minimum of $10,000 is necessary to open an account. Endowment funds within the OSU Foundation yield dividend payouts of about 4.5% annually. The first goal for the Clackamas County Endowment program is to obtain contributions of $1,000,000 by July 1, 2008. At that point, the endowment will generate about $45,000 each year, in perpetuity, to support Extension education in Clackamas County.

There are many ways individuals can make a gift to support the Clackamas County Extension Endowment Fund:

- Outright gift of cash or securities
- Formal pledge commitment spread over several years
- A gift via a will or bequest
- Gifts of real estate or property
- Life Insurance policies

In addition, there are planned giving options that allow contributors to enjoy a lifetime income from their assets and, also, ensure a generous gift to Clackamas County Extension in the future. All this, while taking advantage of some generous tax deductions. These include:

- Charitable Gift Annuities
- Charitable Remainder Trust
- Charitable Remainder Unitrust
Current Activities

With the establishment of a Clackamas County Extension Endowment within the OSU Foundation now complete, efforts are focused on marketing the program and sharing the concept with potential contributors.

During the summer of 2003, a special meeting was organized to bring together about 25 individuals within the community who are dedicated Extension program participants, supporters, and Extension staff. The purpose of this meeting was to:

- Learn about the history and background leading to the formation of the Clackamas County Extension Endowment Fund.
- Become familiar with the potential use of endowment funds for the support of Extension education and research in the county.
- Explore how the invitees can assist the OSU Foundation by being our “eyes and ears” for Extension in the community by helping identify possible contributors.
- Identify potential individuals and families the Endowment Committee should begin talking with about planning giving opportunities.
- Recruit 2 or 3 additional members of the Clackamas County Extension Endowment Committee to continue providing oversight for the effort.
- Begin a process for examining strategies to reach out into the community with information about the Clackamas County’s Extension Endowment Fund.

As a result of this special meeting, more than 60 individuals and families were identified as potential contributors to the endowment. Bondi and Escobar set up personal visitations with each potential contributor. These meetings provide an opportunity to share the endowment concept and ask for consideration in individual’s life planning. Also, these meetings provide stimulated the identification of additional contacts for future visits.

The process of identifying potential contributors and personally visiting with these individuals will continue throughout the coming years. As the endowment fund grows, additional goals will be identified to expand the account balance and the revenue stream for Clackamas County Extension programs.

G. Increased Federal Funding for Special Projects

Developing personal relationships with federal agency partners and decision makers can be beneficial when seeking funding for your work. When telling the Extension story, or when reporting impacts and outcomes, remember to include decision makers in your audience.
All faculty should be aware of the guidelines for public employees regarding political campaigning and distribution of information. These rules are available on the OSU Office of Governmental Relations website.

On the homepage you’ll find two documents you can use as references. The short version is at: http://oregonstate.edu/government/quickcard.pdf And for more detail: http://www.oregonstate.edu/government/restrictions.pdf
APPENDIX I
Appendix IA. The Charge to the Revenue Generation Task Force.

August 21, 2003

TO:  Mike Bondi
     Flaxen Conway
     Peggy Harris
     Maureen Hosty
     Lynn Ketchum
     Mary Mann
     Jim Rutledge
     Jean Stilwell, Chair
     Bernadine Strik
     Ellen Schuster

FROM:  Lyla Houglum
        Dean and Director

Subject: Revenue Generation Task Force

Thank you for agreeing to serve on the OSU Extension Revenue Generation Task Force. Even though we face some very challenging times in Oregon, this is the perfect opportunity to look at other forms of revenue to help the OSU Extension Service continue to be a very vibrant, dynamic organization.

Early this year, the program leaders developed a document on Revenue Generation Principles for the OSU Extension Service. That plan has been reviewed, revised and adopted by the cabinet. A copy is enclosed. It’s now time to look at those principles and develop an implementation plan to help individuals in the organization understand how to successfully proceed.

A discussion with the Extension Cabinet generated the following charge to the task force. Jean Stillwell will contact you soon to begin this work. Please feel free to call upon me or any of the program leaders for additional insights or interpretation if that would be helpful. :

1. Use the Revenue Generation Principles (March 14, 2003) and suggest a common lexicon for the organization to use in referring to the various types of revenues i.e. fees, contracts, grants, registration and sales income, consulting, etc.
2. Provide recommendations to address items indicated as other considerations on page 6 of the white paper for example, what are and what could be faculty incentives for additional energy invested in revenue generation?
3. Create a handbook for faculty and staff on processes for different types of revenue. For example, when to say yes and/or no, what is the process for fee approval and management, grant administration, and roles of OSU offices.
4. Suggest needed staff development and assistance

Please feel free to consult with Aaron Escobar at the OSU Foundation or others that you find appropriate.

This is very exciting work and work that is without question critical for our organization’s future. I would like you to provide a progress report to the Cabinet on October 13, 2003. Please work with Janet Drollinger to be added to the agenda. I look forward to your recommendations.

Cc: Program Leaders

INTRODUCTION

The OSU Extension Service recognizes that revenue generation is necessary to grow Extension programs to meet the needs of Oregonians. The present state and federal funding climate is challenging the capacity of Extension programs in Oregon. This document is intended to empower and guide Extension faculty in their revenue generation efforts and to provide for flexibility, creativity and incentives.

This document was developed by the OSU Extension Service and adopted by the Dean and Director’s Cabinet. The document outlines principles and practices associated with the generation of revenues in addition to appropriated state and federal funds for support of OSU Extension Service programs. Earlier drafts were distributed to the entire organization and the feedback was incorporated where appropriate.

Extension leadership should consistently communicate positive expectations regarding the generation of revenues beyond appropriated state and federal funds for support of Extension programs. Entrepreneurial initiatives should be encouraged throughout the Extension organization within the principles described in this document. The Dean & Director of the OSU Extension Service should establish annually a target percentage of the state Extension budget to be supported by revenue generation.

General principles

Guiding principles are preferable to restrictive policies and cumbersome procedures. The following considerations and general principles are applicable to all forms of revenue generation described in this document:

1. Entrepreneurial and revenue generating initiatives must fit within Extension’s mission and program priorities.
2. Revenues should be used to enhance and/or expand Extension’s educational outreach.
3. Fund sources must be ethical and legal, and should not compromise or diminish the perception of Extension as an objective source of educational programs and information.
4. All Extension professionals share responsibility for resource identification and acquisition. This expectation should be reflected in position announcements, position descriptions and annual performance reviews.
5. Faculty FTE supported by short-term external funding sources should be fixed-term, or if tenured, supported only temporarily on external funding...
sources; capacity and flexibility must be maintained within the unit’s core funding to cover tenured FTE commitments in the event that external funding ends.

6. In addition to greater use of fixed-term appointments, Extension will consider a variety of types of faculty appointments (0.75 FTE or other part-time appointments, etc.), relying on generated revenues for support of any additional FTE for the faculty member.

7. Access to Extension information must be open to all persons in a target audience regardless of the source of funds supporting the program or an individual’s capacity to pay. This will require that program areas develop and maintain fiscal capacity to accommodate those unable to pay. Details for such should be determined at the point of implementation.

8. Management and use of generated revenue should be negotiated with the faculty, program, or county office/unit that generated the funds. Distribution of fee-based and other revenues should be determined up front when a new fee structure or new entrepreneurial initiative is established. Costs associated with the collection, management and accounting for fee, grant, contract, and gift income should be covered by the generated revenues. New fees need to be approved through established University procedures.

9. Rewards, such as merit increases, promotions, and other recognition, should be designed to encourage entrepreneurs. Expectations of individual faculty will consider the opportunities to develop external funds in support of their Extension programs.

Additional principles associated with specific categories of revenue generation are presented in the following sections.

**Seeking sponsors for Extension programs**

1. The sponsoring agency’s mission should compliment Extension’s mission.

2. Programs that are sponsored by external agencies should be selected in response to a need, and not done opportunistically because funds are available. The process should be driven by established Extension policies, with needs and values of users as primary considerations.

3. Partnering/sponsoring entities must be willing to abide by Extension principles of program delivery (not advocate a single solution, but present a range of science-based alternatives from which users select a solution). Partnering with other groups/organizations may strengthen our ability to obtain external funds.

4. Extension should not relinquish control of issue selection and programming decisions.

5. Restrictions on the use of funds, sponsorships, profits, and logos inherent in grant funds that Extension receives should be clearly defined and appropriate for Extension and partnering organizations.
6. Extension should not accept sponsorships that would compromise its unbiased, science based, non-regulatory status and reputation or unnecessarily occupy faculty in non-mission activities.

7. Visibility and recognition of Extension’s role and contributions to sponsored programs should be assured in sponsorship agreements.

8. Opportunities to establish linkages to expand the information base and potential audience, and to reduce competition with other agencies for outreach functions, should be considered along with the potential for additional revenue.

9. Extension should be proactive in marketing the benefits of access to Extension’s educational programming, expertise, infrastructure, and clients to other agencies that would benefit from a partnership with Extension (e.g., Natural Resource Conservation Service (NRCS), Women, Infants and Children (WIC), Food Stamps, Department of Environmental Quality (DEQ), Food Banks, etc).

**Charging fees for Extension classes/workshops/conferences**

1. Fees are appropriate for programs with a higher level of service for a specific individual or audience (primarily for private good), as opposed to educational programs that serve a broad, public issue and audience (primarily for public good).

2. Fees are appropriate for professional development programs for individuals or groups that will enhance their professional performance.

3. Fees are appropriate for programs that are focused on improving profitability or competitiveness of an industry sector.

4. Programs for youth and families carry an obligation to serve those in greatest need who frequently do not have resources to pay for programs; provisions to waive fees or alternate sources to pay fees for these individuals will be required to assure open access to programs.

5. Fees should generally cover the variable costs (including costs of program assistants and support) of delivering information to a group or individual in a specific setting. Where appropriate fees can cover all or some of the salaries of Extension professionals.

6. Fees should be handled through the appropriate accounts. The operational guidelines will further describe the use of the Agriculture Research Foundation, 4-H Foundation, OSU Foundation, and the University Office for Sponsored Programs.

**Moving a program to self-support**

1. Self-support can take the form of fees, external grant support, private gift, or handing off the program to a different or new organization. Once a program has reached self-support status, options to spin the program off to other
organizations may be considered; maintaining visibility for Extension’s role in initiating and developing the program should be negotiated in these instances. There may be reasons for Extension to maintain self-support programs, including a desire to maintain a close tie to the research base, Extension is uniquely and best positioned to continue the program, Extension is the best and/or preferred provider, the program generates a great deal of good press or good will for Extension, etc.

2. Costs associated with the development, management and delivery of self-support programs should be recovered from external sources. Programs with potential for self-support should be designed with this in mind.

3. Programs that focus on a very specific audience or issue such that they benefit a very limited audience (in size and scope) are likely to be appropriate for self-support. To be considered for self-support, programs must meet a recognized need, have strong evidence of demand, and have strong potential ongoing funding sources. Efforts to spin off Extension programs must be approved by Extension Administration before the efforts begin.

Creating or increasing membership fees

1. Extension organizations such as 4-H Youth Development Councils, Clubs, and Associations must comply with federal policy that prohibits the charging of membership fees for 4-H. Other revenue options for 4-H Youth Development programs include project service fees, participation fees (for specific events), club assessments for materials and supplies, and subscription fees for newsletters, with provision for scholarship support to cover these costs for low income families.

2. “Arms length” organizations that are associated with but not part of Extension, such as the volunteer associations that have evolved from Extension’s several “Master” programs or other Extension educational programs, may charge membership fees or conduct fund raising activities as permitted by their by laws. These organizations must allocate funds generated through membership fees and other fundraising projects for support of Extension programs and/or in support of individuals participating in Extension programs, as identified in their charter. Realizing significant, sustained support for Extension programs from these organizations may require formal Memorandum of Understandings (MOU’s) or contracts between Extension and these volunteer associations.

3. “Friends of Extension” organizations that currently exist in a limited number of Oregon counties operate similarly to the associations described in #2, above. Extension may wish to establish a statewide “Extension Associates” category with a membership fee. Costs, benefits to members, and appropriate uses of funds generated by the membership fee would need to be defined. Extension may wish to develop a policy regarding the formation
of associations that are created to support Extension programs, possibly including a base fee for these separate organizations.

4. Inherent in each of the items in this section is the principle that members and volunteers who would be affected by membership or activity fees should have the opportunity to provide input to the process of establishing these fees.

5. Clear accountability and decision-making authority and responsibility regarding the management of revenues from membership fees and other fund raising activities should be defined up front by OSU Extension. Organizations that bear the name of Extension in some way (like master Gardeners) must have by-laws that are compatible between OSU Extension and the organization utilizing the identity of OSU in any way.

**External Support**

1. Work conducted by Extension faculty may be externally supported through grants, contracts or cooperative agreements. Such external support should provide for activity that is consistent with Extension’s mission and program priorities. This activity should forward the work of Extension (serves the common good) by:
   - providing unique avenues for delivering Extension education,
   - creating new knowledge; which could include applied research and field demonstrations
   - building working relationships with key constituent groups, and/or
   - providing professional development for the involved faculty

2. External support should attempt to provide for all the costs of the activity (salary, OPE, S & S, start-up costs, and overhead including fiscal accountability, human resource services, professional development, administrative support, etc). In special cases, the costs may be shared in proportion to benefits derived. Cost share requirements of the grantor may prevent all costs being provided by an outside source. This is not considered a barrier, but gives OSU Extension an opportunity to provide the required matching funds, and leverage those funds in order to enable worthwhile programming.

3. Extension must be free to share any new knowledge created during the activity.

4. Grants and contracts will be managed in accordance with policies and procedures of the fund manager (OSU Research Office, OSU Foundation, Ag Research Foundation, 4-H Foundation, etc.)

**Some additional considerations and questions:**

- Shifting substantially to fee-based programs may impact Extension’s visibility and public support, and should be implemented in a way that protects Extension’s core support.
• Effective messages to counter the response, “I already paid for this through my taxes,” should be part of an implementation plan.

• An operations plan for implementation will include the following issues:
  o How are fees approved through the University fee book process?
  o Who collects fees?
  o Where are the funds deposited and managed?
  o Who decides how fee revenues will be spent? (Suggest look at other policy which says grants that provide a salary savings &/or savings in S&S return to the program area).
  o What are the incentives for programs, units, and faculty to be more entrepreneurial in program planning and development?
  o What is the appropriate administrative level within Extension for resolution of each of these issues?

Related References


Extension Income Options Committee Report of Committee Activities and Recommendations, July 25, 1996

Fee-based Instruction by Extension Faculty (for credit or non-credit), OSU Extension Service, September, 2002


Submitted by:
Roy Arnold, Peter Bloome, Bill Braunworth, Mike Cloughesy, Lillian Larwood, David Philbrick, Jay Rasmussen, Scott Reed, Jim Rutledge, and Jean Stilwell

Initial draft: November, 2002
Revised draft: January, 2003
Revised draft: March 13, 2003
File: Revenue Generation Mar14-03.doc
Appendix IIA. The Sea Grant Model in Extension

The Sea Grant Program within Extension has a long history of securing and managing large grants, both Federal and Private.

The Key Aspects of the Successful Sea Grant Model Are:

- Notify your Program Leader and Budget Officer early in the proposal writing process.
- Involve your budget officer in the preparation of the grant proposal budget from the beginning. They know rules of accounting that you don’t.
- Identify and clearly articulate the impacts of the project.
- Follow-through on all required reports to the funding agency.
- Write and disseminate the impacts of the project when it is completed.
- Maintain continued relationships with past funding sources.
- Know what other states are doing in your area of interest; keep in touch; and partner whenever possible on major projects.
Appendix IIB. Sample of an OSUES Winning Proposal

PROPOSAL
FQPA PROGRAM GRANTS
EPA REGION 10/AMERICAN FARMLAND TRUST

TITLE: Towards Reduction or Elimination of Organophosphates and Other Pesticides Used in Pear Pest Management.

CO-PIs: Philip D. VanBuskirk, Area Extension Agent
Richard J. Hilton, Entomologist
David Sugar, Plant Pathologist
Oregon State University, Southern Oregon Research & Extension Center
569 Hanley, Road
Central Point, Oregon 97502

INTRODUCTION
The pest management program in southern Oregon pear production has changed significantly over the last ten years. Foremost has been the development of a selective or “soft” control program for the suppression of the arthropod pest complex on pear, centered on the use of mating disruption for control of codling moth, the key pest in pome fruit production. Early in the development of this program it was recognized that in order to be successful, the use of chemicals that were known to be disruptive to predators and other natural enemies that aid in the suppression and control of orchard pests would have to be reduced or eliminated. These chemicals included organophosphates, carbamates and synthetic pyrethroids, which are commonly used in commercial pear orchards across the Pacific Northwest (Westigard et al. 1986, Hilton and Westigard 1993).

Between 1995 and 1999, Oregon State University’s Southern Oregon Research & Extension Center participated in the Codling Moth Areawide Management Project (CAMP), a regional project initially encompassing five sites in Washington, Oregon and California, sponsored by the USDA-ARS (Caulkins, 1998). This program encouraged large-scale implementation of the selective control program developed in southern Oregon. The goals of the Medford CAMP included demonstrating to area orchardists how to reduce organophosphate use for control of codling moth (Cydia pomonella) as well as reduce use of other synthetic pesticides for control of secondary pests. The program could thus maximize the benefits of natural enemies while maintaining acceptable levels of fruit quality and tree productivity.

During its five years of implementation, the Medford CAMP was considered by participating growers and the grantor (USDA-ARS) to be highly successful in achieving its identified goals. Initially there were 300 acres of pome fruit enrolled in the program in southern Oregon, which increased to 500 acres, with an additional 1400 acres (about 20%
of the total acreage) outside the project utilizing similar techniques. During the five-year program, southern Oregon achieved an average reduction in organophosphate use of 66%, with a peak reduction of 74% in the third year. The use of all synthetic pesticides for the same period was reduced an average of 74%, peaking at 81%. Growers in the program saved an average of $519 per acre in spray costs over the duration of the project, while maintaining desirable production and quality standards (Hilton et al. 1999).

While the pest management program utilized in Medford CAMP was successful in controlling pear pests, it still relied on one to two (depending on pear cultivar and pest pressure) organophosphate sprays per season. It was also successful in introducing growers to IPM concepts and practices, and prepared them for expanded implementation. The research and extension team at the OSU Southern Oregon Research and Extension Center feels that there is presently an opportunity to reduce the use of organophosphates and other insecticides even further. We propose to do this by (1) improving orchard monitoring practices; (2) increasing the use of new technologies; and (3) training to improve pest management strategies and decision making processes. In addition, by incorporating management guidelines for pear diseases, applications of fungicides and bactericides may also be reduced. On a larger scale, the critical role of unmanaged fruit trees (in abandoned orchards and feral or backyard trees) as sources of disease and insect pests, particularly codling moth, must also be addressed. Elimination of these sources of infestation can aid in the implementation of an IPM program (Butt et al. 1972, Butt et al. 1973). This project proposes to assist IPM participants by mapping abandoned orchards and unmanaged pome fruit trees and taking steps towards their elimination.

1. MARKET & CUSTOMERS

Collectively, California, Oregon, and Washington produce approximately 85% of all fresh market and processing pears grown in the United States, with an average annual farm gate value of $300 million. Oregon ranks third in the nation, annually producing 226,000 tons, or 22% of all pears in the United States.

Southern Oregon, which includes Jackson and Josephine counties, produces 45% of the state’s total pear production, or about 10% nationally. Eighty percent of pears produced in southern Oregon are marketed as fresh fruit within the United States and abroad, with only 20% being sold for processing.

Pears are the number one agricultural crop in southern Oregon and the pear industry is the largest employer. The main pear varieties grown in southern Oregon in their order of importance are Bosc, Comice, Bartlett, and Anjou. Southern Oregon’s tree fruit acreage is operated predominantly by three orchard companies (6100 acres or 85%), with the remaining acreage (1100 acres or 15%) serviced by a grower cooperative, consisting of thirty-four growers. Within the pear industry 90% of total acreage is under some level of pest monitoring system and about 50 percent of that acreage is in a reduced synthetic pesticide program that uses mating disruption for suppression of codling moth. Pear growers typically grow only pears, with a few growers also producing apples, peaches, or winegrapes.
As concerns over pesticide use continue and the rural-urban interface expands, local orchardists feel the need and desire to reduce their use and reliance on synthetic pesticides. They understand that programs and technology are available that could assist them in reaching these goals. However, due to low profitability in their operations they are continually searching for ways to cut costs in pest management programs (e.g., reducing the number of mating disruption pheromone dispensers, and reducing manpower to run monitoring programs) and are not willing to purchase the newest technology (weather stations, new sprayers) that could assist them in reducing pesticide use.

The three goals of this project are to demonstrate to area orchardists: 1) the positive impacts of full investment in integrated pest management programs; 2) the positive impacts of new technologies on pest management operations; and 3) that elimination of abandoned or rogue pome fruit trees can reduce pest pressure and aid in overall pest control.

2. PERFORMANCE TARGETS

1. Reduce synthetic pesticide use, by:
   a. Increased grower training in pest monitoring, to help orchardists determine when pesticide applications are necessary to control insect and disease pests. Presently 4800 acres or 65% of the orchards in southern Oregon are being intensively monitored for pests, which is a requirement for successful IPM. Our goal is to increase this to 80-90%.

   b. Increased training in alternatives to organophosphates and selection of appropriate and less disruptive pesticides when monitoring indicates that pesticide applications are needed. Presently, orchardists representing 70% of the acreage and 60% of chemical fieldmen attend meetings and field days that provide information on the newest technologies and research on implementing and maintaining IPM programs. Our goal is to have representatives of 90 percent of the acreage participating in training programs.

   c. Demonstrating to area orchardists that deployment of only 200 pheromone dispensers per acre for mating disruption of codling moth, a common cost-saving measure, can lead to increased need for supplemental organophosphate applications. This in turn can cause increased need for other synthetic pesticides to control secondary pests including pear psylla (Cacopsylla pyricola) and twospotted mite (Tetranychus urticae), thereby increasing total pest management costs. Presently, 50% of the area acreage is under a codling moth mating disruption program. Our goal is to increase the acreage in the present IPM program to 75% and to better educate area orchardists as to the negative impact that low-density deployment of pheromone dispensers may have on total pest management costs.

2. Utilize available technologies:
a. As a corollary to target 1 above, demonstrate to area orchardists how to access, use, and interpret weather information generated from sixteen local stations and made available on the web to aid in disease and insect management. Presently about 50% of the area orchards base their spray decisions on local weather data and degree-day models. Our goal is to increase this to 75% of the acreage.

3. Identify and map location of abandoned orchards and/or rogue pome fruit trees, to:
   a. Educate landowners about the negative impact that the uncontrolled disease and insect populations in untended trees have on adjacent IPM programs in southern Oregon.
   
b. Assist landowners in controlling pests on their property and work with growers to provide incentives to landowners to promote the removal of problem trees.

PRODUCT

1. Reduction of synthetic pesticide use:

   **Establishment of demonstration orchards** on grower property as focal points in demonstrating the feasibility of further reduction in use of organophosphate pesticides. Gatherings in demonstration orchards can be effective in convincing orchardists to implement the best practices for their particular situation.

   **Training on advanced techniques** of identification and population monitoring of pests and beneficials will be conducted starting in January, 2002 and conducted as needed during the growing season. In conjunction with training sessions, bi-weekly problem-solving meetings with orchardists, field scouts and area fieldmen will be conducted to aid in data interpretation and adaptation to changing conditions. The core technology of pear IPM is the accurate monitoring of the pest complex, and the proper use of monitoring and weather data to use "soft" tools to their best advantage.

2. Utilization of available technologies:

   **Demonstration** of access, use, and interpretation of weather-based models based on information from local stations available on the web in disease and insect pest management.

3. Abandoned orchards and/or rogue pome fruit trees:

   **Identification and mapping** of rogue trees and abandoned orchards.

   **Education** of owners of rogue trees and abandoned orchards on the negative impact to IPM and pesticide reduction efforts.

   **Elimination** of rogue trees and abandoned orchards through education and incentives.
Educating users of newly developed information is vital, but is often under-emphasized in efforts to promote adoption of research-based strategies and techniques. The creation of the extension service within the land grant university system acknowledged the need for user education and demonstration. The model of the “continuum” from researcher to extender to user and back to researcher is held up worldwide as a major factor for the success of U.S. agriculture. As the amount, intensity, and complexity of research increases to meet demand for new IPM systems, the need for effective user education also increases to ensure the successful immediate and long-term adoption of new methods and strategies. Extension is and continues to be a key component of the transition strategy, providing the necessary link between the primary research and user communities.

To ensure that the information flow required for wider adoption is available to potential users, the following areas will be addressed during this project.

1. **Organizational Development**: Build and maintain a technical support structure, by creating close working relationships between growers, research, and extension. Also, create a regional advisory group to ensure that the information flow required for wider adoption is readily available to potential users.

2. **Information Dissemination**: Activities will include local/regional newsletters, field and indoor meetings, one-on-one contact with growers, round table discussions with pest control advisors, the use of the popular press, and a web site with links to other pome fruit IPM sites.

3. **Technical Training**: Identify and use existing training materials to conduct classes to increase the number of skilled monitoring personnel. Training will include identification of pest and beneficial organisms, population sampling techniques, monitoring strategies, and the use of economic thresholds. The training materials and classes will be conducted in both English and Spanish. Applicators and fieldworkers will be educated on the use of new materials and novel application methods.

4. **Outreach Support**: Materials and programs will be targeted to inform and educate local landowners of the impact that abandoned orchards and/or rogue pome fruit trees have on the reduction of synthetic pesticide use and the implementation of IPM programs. An attempt will be made to inform, and engender support from, non-farming neighbors and the local communities regarding new environmentally friendly practices.

### 4. MILESTONES

<table>
<thead>
<tr>
<th>Performance Target</th>
<th>Product</th>
<th>Customer Behaviors</th>
<th># of Customers</th>
<th>Timeline</th>
</tr>
</thead>
</table>

55
1. Reduction of synthetic pesticide use
   - Establish demonstration orchards
   - Training in advanced techniques
   - Observe advanced IPM techniques in practice, apply to their own orchards.
   - Increase frequency and accuracy of monitoring in their orchards.
   - 20 or 70-80% of acreage
   - Jan-Nov 2002

2. Use of new technologies
   - Training in use of models
   - Use models to determine need and timing for pest management treatments.
   - Adjust decisions according to weather data and predictions.
   - 20
   - Jan-Nov 2002

3. Abandoned orchards and trees
   - Identify
   - Become aware of sources of pests outside the orchard.
   - 20
   - Jan-May 2002
   - Map
   - Evaluate risk and contact owners of untended trees.
   - 20
   - Jan-May 2002
   - Educate
   - Owners of untended trees become aware of their impact on IPM efforts.
   - Trees managed or removed.
   - 30
   - Mar-Nov 2002

5. KEY INDIVIDUALS & ORGANIZATIONS:

<table>
<thead>
<tr>
<th>Organization</th>
<th>Role or Function</th>
<th>Critical Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Philip VanBuskirk Oregon State University Southern Oregon Research &amp; Extension Center 569 Hanley Rd. Medford, Oregon 97502 (541) 772-5165 <a href="mailto:philip.vanbuskirk@orst.edu">philip.vanbuskirk@orst.edu</a></td>
<td>Co-Primary Responsibility</td>
<td>Extension Education. Experience in successfully implementing large-scale projects geared at pesticide reduction. Skilled at training in IPM. Principal author of &quot;Orchard Pest Monitoring Guide for Pears&quot;.</td>
</tr>
<tr>
<td>Richard Hilton Oregon State University Southern Oregon Research &amp; Extension Center 569 Hanley Rd. Medford, OR 97502 (541) 772-5165 <a href="mailto:rhilton@bcc.orst.edu">rhilton@bcc.orst.edu</a></td>
<td>Co-Primary Responsibility</td>
<td>Research Entomologist. Experience in successfully implementing large-scale projects geared at pesticide reduction. Skilled at use of models in maximizing effectiveness of alternative treatments.</td>
</tr>
<tr>
<td>Dr. David Sugar Oregon State University Southern Oregon Research &amp; Extension Center 569 Hanley Rd. Medford, OR 97502 (541) 772-5165 <a href="mailto:davesugar@orst.edu">davesugar@orst.edu</a></td>
<td>Co-Primary Responsibility</td>
<td>Research Plant Pathologist. Experience in integrated management of disease in pears.</td>
</tr>
</tbody>
</table>
6. VERIFICATIONS

<table>
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<tr>
<th>Target and Milestone</th>
<th>Product</th>
<th>Verifications</th>
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<tbody>
<tr>
<td>1. Reduction of synthetic pesticide use</td>
<td>Demonstration</td>
<td>Record number of sprays, weight of materials applied per acre, number and weight of organophosphates used. Compare spray records of orchard blocks within program to those using a conventional pest management program.</td>
</tr>
<tr>
<td></td>
<td>Education</td>
<td>Record the number of persons and the orchard acreage represented attending classes and compare to the previous year.</td>
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<tr>
<td></td>
<td></td>
<td>Survey people using educational information before and after training as to intent to further implement IPM.</td>
</tr>
<tr>
<td>2. Use of new technologies</td>
<td>Education</td>
<td>Interview and survey people using educational information before and after training as to likelihood of implementation.</td>
</tr>
<tr>
<td>3. Abandoned orchards and trees</td>
<td>Identify Map Educate Remove</td>
<td>Produce map of abandoned orchards and/or trees that may be having a negative impact on orchards using IPM. Document number of people contacted and the acreage or number of trees removed.</td>
</tr>
</tbody>
</table>

7. BUDGET*

<table>
<thead>
<tr>
<th>Target and Milestone</th>
<th>Product</th>
<th>Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Reduction of synthetic pesticide use</td>
<td>Demonstration</td>
<td>Provide ½ of the necessary pheromone dispensers to key orchardists to follow recommended program ($50.00 per acre for 150 acres).</td>
</tr>
<tr>
<td></td>
<td>Education</td>
<td>Conduct educational workshops at demonstration sites and regular in-season meetings to discuss problems and progress.</td>
</tr>
</tbody>
</table>
2. **Use of new technologies**

<table>
<thead>
<tr>
<th>Education</th>
<th>Conduct meetings on new technologies. Purchase three weather recorders.</th>
<th>1,500</th>
<th>3,000</th>
</tr>
</thead>
</table>

3. **Abandoned orchards and trees**

<table>
<thead>
<tr>
<th>Identify &amp; Map Education</th>
<th>Identify location by GPS and create maps. Develop, print &amp; distribute pamphlets. Place ads and articles in local newspapers. Hold public meetings.</th>
<th>3,000</th>
<th>2,500</th>
<th>500</th>
<th>3,000</th>
</tr>
</thead>
</table>

**TOTAL COSTS**

| | | | | | 23,500 |

* Additional budget note: Salaries of primary organizers and their technical assistants are paid by Oregon State University. Monitoring activities in demonstration orchards will be shared by SOREC and participating orchardists at their respective expenses. The Fruit Growers' League has committed $7,500 towards abandoned orchard and tree removal programs.

**8. CUSTOMER EVIDENCE**

Loys Hawkins  
Bear Creek Operations  
2518 S. Pacific Hwy.  
Medford, OR 97501  
(541) 864-3507

Laura E. Naumes  
Naumes Inc.  
P.O. Box 996  
Medford, OR 97501  
(541) 772-6268 ext. 1718

David Lowry  
Associated Fruit Company  
3721 Colver Rd.  
Phoenix, OR 97535  
(541) 535-1787

Gerald May  
Fruit Growers League Inc.  
P.O. Box 27  
Medford, OR 97501  
(541) 941-3893

References:


SIGNATURES:

Philip VanBuskirk, Co-Principal Investigator

Richard Hilton, Co-Principal Investigator

David Sugar, Co-Principal Investigator

Michael E. Howell, Superintendent, SOREC

Peggy S. Lowry, Director, Office of Sponsored Programs
Appendix IIC. Glossary of Grant Terms


AWARD – money from a funding agency for a specific project.

AWARD NOTICE – Official word from the granting agency to the OSU Research Office and to the Principal Investigator that the grant was awarded.

AWARD CLOSEOUT – At the end of the grant period, the grant balance must be brought to zero so the Research Office can close the index (account).

BLUE SHEET – Refers to the Proposal Check-Off form that goes with any proposal sent through the Research Office. The ORG code on the blue sheet determines where the returned overhead is to be returned. http://oregonstate.edu/research/SponsoredPrograms/Forms/COS9-99.pdf

BUDGET – Expenses outlined in a proposal to carry out the project (salary, fringe benefit costs, printing, supplies, travel, contracts, indirect.) Use actual salary figures and university rate charts for fringe benefit rates. Consider inflation and possible increases in benefit rates in subsequent budget years.

BUDGET JUSTIFICATION - This explains items in the budget in more detail. It is helpful to indicate how cost estimates were derived for each of the direct cost items unless already obvious. The justification page should be organized in the same order as the budget itself, although not every item in the budget may require justification.

CASB (Cost Accounting Standards Board) a group of people established by Congress who develop cost accounting rules for educational institutions.

CONTRACT – an agreement formalizing the transfer of money or property by an awarding agency. Contracts are specific about objectives, costs, methods and products and are enforceable by law. Work is usually accomplished within a specific time frame. http://www.business_services.oregonstate.edu/Property/Contracts/DOCS/OSUCONTRACT.pdf

COOPERATIVE AGREEMENT – this kind of agreement is made by one or more outside agencies to reimburse at least a portion of OSU's expenses and to
expend some of their own resources to accomplish mutually developed research objectives.

**CO-P I** - Co-Principal Investigator

**COST SHARE** – (also referred to as matching funds). Non-federal funding provides some portion of the effort costs to a project. University salaries used in cost sharing is tracked in an account called an unrestricted fund. A cost share index is established and linked to the salary source index. A labor distribution form to Payroll must be completed.

**COST SHARING INDEX** - an account sent up to track cost-share funding or support.

**COUNTY GRANT** – grant proposals that are submitted through the county Extension office rather than the university. The county (not OSU) is responsible for complete fiscal oversight, compliance to federal regulations, all fiscal billing, grant closing and any auditing compliance, fines, etc.

**DIRECT COSTS** – These costs are specifically needed for the project and can be charged directly to the grant or contract. Direct costs are not infrastructure costs such as secretarial support, administrator costs, general office supplies/equipment, phone lines, computer hook-ups, etc. – these are considered indirect costs or Facilities & Administrative costs.

**DUNS** - a Dunn and Bradstreet Data Universal Numbering System – OMB directs all grant proposal applications to use a DUNS number. OSU’s number is 053599908.

**ELECTRONIC SUBMISSION** – many granting agencies now require e-mail submission for proposals. See list:
[http://oregonstate.edu/research/SponsoredPrograms/eps.html](http://oregonstate.edu/research/SponsoredPrograms/eps.html)

**EQUIPMENT** - any piece of tangible property with a unit value of $5,000 or more, and a life expectancy of more than one year unless the sponsor specifies otherwise.

**F & A (Facilities & Administrative)** – also referred to as overhead or indirect costs. Costs such as libraries, heating, lighting building & facilities operation and maintenance, that aren’t easily charged to individual grants or contracts but are paid by the University. Rates are established by negotiation with the U. S. Department of Health and Human Services and typically cover a 5-year period.
**FASOM** (Financial Administration Standard Operating Manual) or now known as OUS Fiscal Policy Manual which is applied consistently and clearly to all levels of OUS system.

http://oregonstate.edu/dept/budgets/GCGManual/GCG104.htm#five

**FAST LANE** - National Science Foundation grant proposals must be submitted electronically using this system. PI’s should link to the NSF website for details to obtain PIN, access, etc. when planning a proposal.

**FRINGE BENEFIT RATE** – see OPE

**GIFT** – a donation of cash, services or property with no expectation of benefit to the donor. Sometimes restricted to a specific project. Gifts cannot be deposited into general funds but may be deposited to a Foundation or to a university gift index which most departments have set up for the deposit of gifts. These indexes all begin with “M”. Gifts cannot be deposited into an FS index. When a gift is received that is for the specific purpose of cost sharing, Research Accounting will set up a restricted fund to hold the cash donations for the cost share. A gift overhead fee is not applied to these funds.

**GRADUATE TUITION** – Grant projects sometimes build in use of graduate student hours and payment for a term or more of tuition. Grant paid tuition is free from F&A. Rate charts available for salary and tuition rates.

http://oregonstate.edu/research/SponsoredPrograms/rates.html#Graduate

**GRANT** – agreement for the transfer of money or property from one entity to another in exchange for specified services such as research. The entity receiving the money or property must report on results and the money usually must be spent in a specified time frame.

**HUMAN SUBJECTS** – individuals that participate in research who provide data about themselves to the researcher or research staff.

**INDIRECT COSTS** – (See F & A or Facilities and Administrative)

**INDIRECT RATE** – a percentage charged to direct costs by the university for indirect costs. The Extension on-campus rate for non-research projects is currently 29.1%; and off-campus is 26%. Always check with the Research Office for current rates:

http://oregonstate.edu/research/SponsoredPrograms/rates.html#Facilities

**INPUTS** - resources, contributions, investments that go into the program.
**INTERAGENCY AGREEMENT** - State agencies in Oregon, such as the Oregon Department of Transportation, Oregon Department of Energy, or the Oregon Department of Fish and Wildlife, using state or federal funds may fund a research project at OSU using an Interagency Agreement. This document is an agreement between two State of Oregon agencies. OSU receives these agreements from the awarding agency, but an Oregon state agency may ask OSU to write the agreement.

**INTERGOVERNMENTAL AGREEMENT** - Local governmental agencies, a school district, or the local city government, may decide to fund a project at OSU. They may need information or services that only a principal investigator at OSU can provide. OSU will account for this project just like a research project and in most instances, it is a research project. Are there any examples that can be provided?

**INTERAGENCY PERSONNEL AGREEMENT (IPA)** - Usually with a federal agency, this allows an OSU faculty member to physically leave OSU for a period of time to work for that agency. These agreements allow the employee to remain on OSU’s payroll and receive benefits, including PERS, during this period; therefore not severing OSU service-length. OSU faculty can then serve in federal positions. The period of time is usually for one to two years. Research Accounting oversees appropriate accounts for IPAs.

**IRB (Institutional Review Board)** - IRB (Institutional Review Board) – a group of people at OSU appointed by the Vice Provost, to protect the rights of humans who are involved in research.

**MATCH** - see cost share

**MTDC (Modified Total Direct Cost)** – one way of calculating F & A costs.


**NO-COST EXTENSION – (NCE)** a one-time lengthening of time period in which awarded funds may be spent. Requests for NCE’s are requested through OSU’s Research Office or the funding agency. See your proposal instructions.


**OMB** – (Office of Management and Budgets) the Federal office that supervises the administration of agencies. OMB oversees financial and regulatory policies. OMB circulars contain these policies for federal grants. Circulars of interest to grants administration are the A-21, A-110, and A-133.
OFF-CAMPUS – where projects and functions take place in facilities NOT owned by the university (County Extension Offices, Seafood Lab, Experiment Stations, Food Innovation Center – off-campus rate is used.

ON-CAMPUS - where projects or activities take place in facilities owned by OSU (Example: Hatfield Marine Science Center). On-campus indirect rate for Extension is used unless the entire project or 90 consecutive days are spent at an off campus location on a grant project, then the off-campus rate may be applied.

OPE – Other Payroll Expenses (Fringe Benefits) - rate added to salary for medical insurance contribution, retirement (PERS), unemployment tax and other employee costs paid by OSU. See OSU chart for official rates in developing your proposal budget. http://oregonstate.edu/research/SponsoredPrograms/rates.html#ope

OUTCOMES – results, expected or unexpected

OUTPUTS – direct products of program activities. These include numbers of classes taught, publications and videos distributed, websites developed and visited, etc.

PAR FORMS (Personnel Action Report) - a required form that accounts for time and effort of OSU employees working on grants and contracts.

PARTICIPANT SUPPORT COSTS - costs paid for participants to attend conferences, symposia, training activities and workshops, which may include travel, stipends, supplies, conference fees, etc. of the participant. In a grant, these costs are exempt from F & A.

PEER REVIEW - a system for evaluating research applications that uses reviewers who are the professional equals of the applicant.

PERSONAL SERVICE INVOICE (PSI), PERSONAL/PROFESSIONAL SERVICE CONTRACT (PPSC) - PSIs and PPSCs involve hiring of individuals or firms to provide personal or professional services that fall into a specific definition usually involving high levels of expertise, experience or artistry. OSU employees are not eligible for these contracts. (www.contracts.orst.edu)
**P I (Principal Investigator)** - the person who directs a grant or contract and is responsible for the proper conduct of the project.

**PRE-AWARD COSTS** - sometimes a PI desires to begin a grant-funded project BEFORE the actual grant award or agreement arrives on campus. Approval may be granted for expenditure of funds up to 90 days prior to the start date. Specific form and official university signatures required.

http://oregonstate.edu/research/SponsoredPrograms/Forms/OPAS.html

**PRIOR APPROVAL** - Same as Pre-Award Costs

**PROPOSAL CHECK OFF SHEET** - See Blue Sheet

**RESTRICTED FUNDS** – directed funds that may be spent only for the purposes for which the Grantor intended them.

**RFP** – Request for Proposals

**ROH (Return on Overhead)** - A distribution of a portion (usually 26%) of indirect costs recovered from grants and contract activity to assist the college/department to cover departmental indirect expenses.

**STIPENDS** – see participant support costs

**SUBCONTRACT** - a contract between one party in an original contract and a 3rd party. In most cases, subcontracts covered in a grant proposal must be pre-approved by the sponsoring agency. Each subcontractor should be identified in research proposals – the budget, indirect rate, scope of work and approval from their administration. F & A applies to the first $25,000 of a contract.

**UNALLOWABLE COSTS** – expenses not allowable on grants as they are included in the F&A rate calculation.

**WAIVER**- If the sponsor limits or does not allow F&A costs then the P I must provide a copy of the F&A cost policy to the Office of Sponsored Programs with their proposal. The Office of Sponsored Programs will accept this if it is a standard policy.
## Appendix IID. Budget Work Sheet

### Principal Investigator:

**TITLE:**

**CS Index:**

<table>
<thead>
<tr>
<th>SALARIES &amp; WAGES - Name, Title</th>
<th>SS#</th>
<th>Monthly Salary</th>
<th>FTE</th>
<th>SG</th>
<th>Year One</th>
<th>Year Two</th>
<th>TOTAL</th>
<th>SG</th>
<th>SG</th>
<th>SG</th>
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<td>PI</td>
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<td>Undergraduate Student (1)</td>
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<tr>
<td><strong>A. TOTAL SALARIES &amp; WAGES</strong></td>
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<td><strong>B. FRINGE BENEFITS</strong></td>
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<tr>
<td><strong>C. EXPENDABLE SUPPLIES &amp; EQUIPMENT - under $5,000 per unit</strong></td>
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<td><strong>TRAVEL:</strong></td>
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<td>In State</td>
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<td>Out-of-state or regional</td>
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<td>International Travel - List destination and purpose</td>
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<td><strong>D. TOTAL TRAVEL</strong></td>
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<tr>
<td><strong>E. PUBLICATION COSTS</strong></td>
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<td><strong>F. TOTAL OTHER COSTS:</strong></td>
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<tr>
<td><strong>G. Subtotal DIRECT COSTS (sum items A-F)</strong></td>
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<tr>
<td>INDIRECT COSTS</td>
<td>Indirect Cost Rate</td>
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<td>ON-campus Cost at 0.291%</td>
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<td>OFF-campus Cost at 0.26%</td>
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<td><strong>H. TOTAL INDIRECT COST:</strong></td>
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<td><strong>I. GRADUATE STUDENT TUITION - # of terms</strong></td>
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<td>PERMANENT EQUIPMENT - $5000 or more per unit</td>
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<td>Contract amount over $25000</td>
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<tr>
<td><strong>K. GRAND TOTAL REQUESTED (sum items G to J)</strong></td>
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</tbody>
</table>

**Notes:**
- $ : dollar symbol
- % : percentage
- FTE : full-time equivalent
- SG : salary grade
- MM : month
- YR 1 & YR 2 : year one and year two

**Formulas:**
- B41*G39

**Cost Share:** $0-
Appendix IIE. The Funding Opportunity, Thinking it all Through

THE FUNDING OPPORTUNITY: Thinking it all through

DEVELOPING THE PROJECT OPPORTUNITY

- The issue or opportunity lies within OSU’s, and Extension’s mission, goals and priorities (i.e. strategic plan)
- Has high relevance to your programs goals
- The project proposed fits planning direction within the program area locally, regionally, and nationally
- Meets user needs; has user support
- The proposed work does not duplicate other work
- The time/talent/expertise for project effort is available
- The project / outreach will make a difference with regard to the issue or opportunity
- If funds are to seed dollars for pilot project, are continuing funds available beyond the “seeding?”
- Small one-time project with independent merit
- The dollars available are sufficient to produce a beneficial result or product
- The effort demands will not harm existing program expectations
- If cost share is required, are sufficient non-federal OSU dollars available to meet the requirement? (Check with the budget experts).

ENGAGE OTHERS

- Communicate with your Program Leader/Department Head
- Involve them or include their ideas in the opportunity
- Consider partners and collaborators –within Extension, other college units, and outside of OSU including peer universities or agencies
- Be clear and in agreement on proposal details/expectations with partners (match/cost share; sharing results; return on overhead)
- Consider sub-contracts
- Tap your grant accountants’ expertise

GET STARTED ON THE PROPOSAL

- Read the RFP (Request for Proposals) carefully. Know what the funding sponsor requires.
- Outline the proposal components and integrate university policies/guidelines
  - Cover/signature page
  - Summary/Abstract
  - Problem Statement/Narrative
  - Objectives/Methodology
  - Staffing
  - Budget/Budget Justification (Salary/ope; Cost share; indirect; PSA; Subcontracts)
  - Disclosures
  - Appendices
  - Check-off sheet (blue sheet)
- Develop a time schedule to meet proposal deadline – include signature gathering; Research Office approval time 3-5 days; include time for edits/final adjustments/copying; mail time
- Line-up your resources –Policy Handbooks on-line; ask questions and enlist assistance – use your accounting support staff
Appendix IIIF. List of Websites
Links to Federal Funding Programs
(as of Nov 1, 2003)

USDA-Cooperative State Research, Extension and Education Service
http://www.reeusda.gov/

Funding Programs and Opportunities
http://www.reeusda.gov/1700/funding/ourfund.htm

National Research Initiative Competitive Grants Program (NRI)
http://www.reeusda.gov/nri/nriinfo/about.htm

Organic Transitions Program (ORG)
http://www.reeusda.gov/pestmgmt/org/organic.htm

Sustainable Agriculture Research and Education Program
(Grant Requests for Proposals issued on a Regional Basis)
http://www.sare.org/htdocs/sare/funding.html

Biotechnology Risk Assessment Research
http://www.reeusda.gov/grpm/biotechrisk/biotech.htm

Integrated Pest Management Programs
http://www.reeusda.gov/ipm/

Crops at Risk Program (CAR)
http://www.reeusda.gov/pestmgmt/CAR/car.htm

Methyl Bromide Transitions Program
http://www.reeusda.gov/pestmgmt/Mbt/nibt.htm

Pest Management Alternatives Program
http://www.reeusda.gov/ipm/pmap.htm

Regional IPM Grants Program
http://www.reeusda.gov/ipm/regrants.htm

Regional Pest Management Centers
http://www.reeusda.gov/pestmgmt/Centers/centers.htm

Pesticide Safety Education Program
http://www.reeusda.gov/pestmgmt/psep/coverpsep.htm

Small Farm Program
http://www.reeusda.gov/smallfarm/

Small Business Innovation Research
http://www.reeusda.gov/sbir/

Sustainable Development Program
http://www.reeusda.gov/nre/Sustain/index.htm

Regional Rural Development Centers
http://www.reeusda.gov/ecs/rrde.htm
Agriculture in the Classroom
http://www.agclassroom.org/

Higher Education Programs
http://www.reeusa.gov/serd/hep/hep.htm

Forest Projects
http://www.reeusa.gov/nre/wood/wood.htm

**National Science Foundation**
www.nsf.gov/

New Funding Opportunities www.nsf.gov/home/programs/recent.htm


**Directortes:**

**Biology:**

Funding opportunities www.nsf.gov/home/bio/programs.htm

Biological Infrastructure www.nsf.gov/home/bio/dbi/start.htm

Plant Genome Research www.nsf.gov/home/bio/dbi/dbi_pgr.htm

Environmental Biology www.nsf.gov/home/bio/deb/start.htm

Integrative Biology and Neurosciences www.nsf.gov/home/bio/ibn/start.htm

Molecular and Cellular Biosciences www.nsf.gov/home/bio/mcb/start.htm

**Geosciences:**

Atmospheric Sciences www.nsf.gov/home/geo/atm/start.htm

Earth Sciences www.nsf.gov/home/geo/ear/start.htm

Ocean Sciences www.nsf.gov/home/geo/oce/start.htm

Cross-cutting Programs:

Environmental Research and Education www.nsf.gov/geo/ere/ereweb/index.cfm

Global Change Research
www.nsf.gov/geo/egch/

Environmental Research (NSF/EPA)
www.nsf.gov/home/crssprgm/epa/start.htm

Computer and Information Sciences www.nsf.gov/home/cise
Engineering www.nsf.gov/home/eng
Education www.nsf.gov/home/ehr
Social, Behavioral and Economic Sciences www.nsf.gov/home/sbe
Math and Physical Sciences: www.nsf.gov/home/mps
Polar research www.nsf.gov/home/pola
International Programs www.nsf.gov/home/int

National Oceanic and Atmospheric Administration
www.noaa.gov/

Research http://www.noaa.gov/research.html

Office of Oceanic and Atmospheric research http://www.oar.noaa.gov/

Research Opportunities and grants http://www.oar.noaa.gov/organization/grants.html

National Geophysical Data Center http://www.ngdc.noaa.gov/

Office of Global Programs http://www.oogp.noaa.gov/

• Climate Monitoring and Diagnostics Laboratory
  http://www.cmdl.noaa.gov/index.html

• Carbon Cycle Greenhouse Gases Group
  http://www.cmdl.noaa.gov/ccgg/

National Sea Grant
http://www.nsgo.seagrant.org/

Cooperative Institute for Research in the Environmental Sciences
http://cires.colorado.edu/

Cooperative Institute for Limnology and Ecosystems Research
http://www.ciler.org/

Research RFPs http://www.ciler.org/funding/rfp/rfp.htm
Department of Defense
http://www.defenselink.mil/


Environmental Quality http://www.dtic.mil/biosys/org/es.html

Strategic Environmental Research and Development Program http://www.serdp.org/

Basic Research Opportunities http://www.acq.osd.mil/ddre/research/opportunities.html


Environmental Protection Agency
www.epa.gov

Office of Research and Development
www.epa.gov/ord/

National Center For Environmental Research (NCER)
http://es.epa.gov/ncer/index.html

Funding Opportunities
http://es.epa.gov/ncer/rfa/

Science to Achieve Results (STAR) Grants
http://es.epa.gov/ncer/grants/

Graduate Fellowships
http://es.epa.gov/ncer/fellow/

Small Business Innovation Research
http://es.epa.gov/ncer/sbir/

Experimental Program to Stimulate Competitive Research (EPSCOR)
http://es.epa.gov/ncer/other/

Department of Energy
www.doe.gov

Office of Energy Efficiency and Renewable Energy
www.eere.energy.gov/office_eere/solicitations.html

Office of Industrial Technologies
Inventions www.oit.doe.gov/inventions/solicitations.shtml
Agriculture www.oit.doe.gov/agriculture/solicitations.shtml
Forest Products www.oit.doe.gov/forest/solicitations.shtml
Office of Environmental Management  http://emsp.em.doe.gov/researcher.htm
NEEL National Vadose Zone Project  www.inel.gov/vadosezone/
Subsurface Science Initiative  http://subsurface.inel.gov/
Long-Term Stewardship  http://lts.inel.gov/
Office of Science Grants  www.science.doe.gov/grants/
Office of Biological and Environmental Research  www.sc.doe.gov/ober/ober_top.html
Climate Change  www.sc.doe.gov/ober/CCRD_top.html
Environmental Remediation Sciences  www.sc.doe.gov/ober/FRSD_top.html
Life Sciences Division  www.sc.doe.gov/ober/lss_top.html

Department of Homeland Security
www.dhs.gov

The Department of Homeland Security (DHS) released a Broad Agency Announcement (BAA) calling for academic white papers that will focus on specific areas related to social science issues. This is the first step in the review process for colleges and universities that would like to be selected as a Homeland Security Center of Excellence (HS-Center). The Department anticipates selecting at least one HS-Center by end of November 2003 and up to nine other HS-Centers by end of 2004.

Appendix IIG. Priority Staffing and Vacancy Management

Allocation of Extension funds as FTE and related costs will be based on priorities that address issues important to Oregonians.

- As potential vacancies become known, Department Heads, Program Leaders and Staff Chairs communicate anticipated openings to the Director.

- When an Extension funded position becomes vacant, the full time equivalent (FTE) and the related support will revert to the Extension Director for re-allocation to the highest priority.

- Salary savings from temporary personnel changes of less than one year, as in sabbaticals, grants, family, or educational leaves will stay with the program area. Changes which extend beyond a year will be renegotiated annually. If salary savings are used to hire personnel, appropriate OPE will be provided.

<table>
<thead>
<tr>
<th>Function</th>
<th>Primary responsibility</th>
<th>In tandem with:</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initiate a process to assess, identify and annually update a list of resource needs beyond current allocations to address priority issues.</td>
<td>Director</td>
<td>Program Leaders, Staff Chair, Academic, Home administrator, Support unit leaders, Regional Director</td>
<td>Director will initiate request. Program leaders will seek input from academic home administrators and staff chairs to assure local needs are identified. Support units &amp; overall organizational needs will be identified by support unit leaders and Regional Directors. Staff chairs, Academic Home administrators and unit leaders may submit their identified needs to program leaders.</td>
</tr>
<tr>
<td>Justification for return of resources.</td>
<td>Immediate supervisor, Regional Directors</td>
<td>Program Leaders</td>
<td>Upon assessment of priority needs, immediate supervisor works with appropriate Program leader &amp;/or Regional Director to develop proposal. Copy sent to academic home administrator as appropriate.</td>
</tr>
<tr>
<td>Written Proposal</td>
<td>Program Leader</td>
<td>Immediate Supervisor</td>
<td>This is a written proposal submitted to the Director. It may include changes to the current position and must include a draft position description and position announcement. This request is tested against resource needs list and verification of financial support. In the case of a staff chair position, the Regional Director will be involved.</td>
</tr>
<tr>
<td>Re-allocation of FTE and/or resources</td>
<td>Extension Director</td>
<td></td>
<td>Copies sent to Extension Personnel, Immediate Supervisor, Program leader, Academic Home administrator, as appropriate and Extension Administration.</td>
</tr>
</tbody>
</table>
Appendix IIH. OSU Tax Exempt Letter

May 4, 2000

To Whom It May Concern:

This is to certify that Oregon State University is a non-profit institution and is exempt from Federal income taxation by virtue of being an agency of the State of Oregon, pursuant to Section 115 of the Internal Revenue Code and constitutional immunity accorded the revenue of integral units of state government. Oregon State University's Federal Tax Identification Number is 93-6001786.

Sincerely,

Mark E. McCambridge
Assistant Vice President for Finance and Administration

Telephone 541-737-1182
Fax 541-737-0625
Appendix III. OSU Foundation Tax Exempt Letter

Internal Revenue Service

Date: November 28, 2001

Oregon State University Foundation
OSU Foundation
850 SW 35th St.
Corvallis, OR 97333-4046

Department of the Treasury
P. O. Box 2508
Cincinnati, OH 45201

Person to Contact:
Janet M. Duncan 31-07676
Customer Service Specialist
Toll Free Telephone Number:
8:00 a.m. to 9:30 p.m. EST
877-829-5500
Fax Number:
513-263-3756
Federal Identification Number:
93-6022772

Dear Madam:

This letter is in response to your phone call of November 28, 2001, requesting a copy of your organization's determination letter. This letter will take the place of the copy you requested.

Our records indicate that a determination letter issued in April 1951 granted your organization exemption from federal income tax under section 501(c)(3) of the Internal Revenue Code. That letter is still in effect.

Based on information subsequently submitted, we classified your organization as one that is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in sections 509(a)(1) and 170(b)(1)(A)(iv).

This classification was based on the assumption that your organization's operations would continue as stated in the application. If your organization's sources of support, or its character, method of operations, or purposes have changed, please let us know so we can consider the effect of the change on the exempt status and foundation status of your organization.

Your organization is required to file Form 990, Return of Organization Exempt from Income Tax, only if its gross receipts each year are normally more than $25,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of the organization's annual accounting period. The law imposes a penalty of $20 a day, up to a maximum of $10,000, when a return is filed late, unless there is reasonable cause for the delay.

All exempt organizations (unless specifically excluded) are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of $100 or more paid to each employee during a calendar year. Your organization is not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, these organizations are not automatically exempt from other federal excise taxes.

Donors may deduct contributions to your organization as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to your organization or for its use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.
Oregon State University Foundation
93-6022772

Your organization is not required to file federal income tax returns unless it is subject to the tax on unrelated business income under section 511 of the Code. If your organization is subject to this tax, it must file an income tax return on the Form 990-T, Exempt Organization Business Income Tax Return. In this letter, we are not determining whether any of your organization's present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

The law requires you to make your organization's annual return available for public inspection without charge for three years after the due date of the return. If your organization had a copy of its application for recognition of exemption on July 15, 1987, it is also required to make available for public inspection a copy of the exemption application, any supporting documents and the exemption letter to any individual who requests such documents in person or in writing. You can charge only a reasonable fee for reproduction and actual postage costs for the copied materials. The law does not require you to provide copies of public inspection documents that are widely available, such as by posting them on the Internet (World Wide Web). You may be liable for a penalty of $20 a day for each day you do not make these documents available for public inspection (up to a maximum of $10,000 in the case of an annual return).

Because this letter could help resolve any questions about your organization's exempt status and foundation status, you should keep it with the organization's permanent records.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

This letter affirms your organization's exempt status.

Sincerely,

John E. Ricketts, Director, TE/GE
Customer Account Services
Appendix IIJ. An Example of the Use of Contracting in Extension Work

The Gilliam County Agriculture faculty position shared by OSU Extension and Natural Resources Conservation Service (NRCS) is an example of the synergistic benefits that can be realized in public partnerships. There is a higher level of efficiency attained in this type of position, by virtue of one employee providing access to the programs and informational resources of both public entities. Access to the intellectual and technical resources of both agencies allows the employee to provide a higher level of service to clients by creatively combining these resources. The combined resources are then delivered in a new form that offers the landowners greater benefit in meeting their natural resource production and conservation goals.

The greatest challenge of this position has been balancing the demands of working for two very different public entities with unique mandates. Each entity has staff contact meetings and training sessions tailored to an FTE fully dedicated to their own agency. Working cooperatively, and allowing the employee to balance the administrative demands of both entities is essential to the success of this partnered position. Ultimately, the point of equilibrium must be discovered within the context of serving the needs of our clientele.
APPENDIX III
Appendix IIIA. Glossary of Cost Recovery Terms

ADMINISTRATIVE/INDIRECT COSTS – project expenses related to general administrative and support services that are not easily determined for each project (i.e. accounting, payroll, human resources, computer support, communications, value of space and utilities, and equipment depreciation, as well as departmental and college administration).

Rather than attempt to attribute specific dollar amounts for each of these "system" services to a particular project, a percentage of the total direct project cost is used.

OSU Research Foundation uses the term “facilities and administrative” (F&A) costs, defined as follows:

“F&A costs are those costs associated with the infrastructure that supports the research enterprise (buildings and their maintenance, libraries, etc.), and which cannot easily be determined for each project. The University requires that F&A costs be included in all proposal budgets and that F&A costs be recovered to the maximum extent possible.”

"Facilities" is defined as the costs associated with owning, maintaining, and operating certain buildings, equipment and capital improvements, and library expenses. "Administration" is defined as general administration and general expenses, departmental and college administration, sponsored projects administration, and all other types of expenditures not listed specifically under one of the subcategories of Facilities.

Source: OSU Research Foundation; Facilities & Administrative Costs
http://oregonstate.edu/research/SponsoredPrograms/indirect.html

ADMINISTRATIVE/INDIRECT COST RECOVERY - funds generated from “administrative/indirect costs” paid by the sponsor of a project.

LETTER OF AGREEMENT – a simple letter between two or more entities that confirms arrangements for services or goods to be provided. Usually done in a more casual letter style, it does not include legal terms or conditions found in more formal contracts.

AGREEMENT – See “contract” and “memorandum of understanding (MOU)”; the three terms are often used synonymously.

CARRYOVER – DESIGNATED OPERATIONS FUNDS - This represents uncommitted funds from one fiscal year to the next is limited to $20,000 or 20% of the annual revenue credited to the fund, whichever is greater.
The Director of Business Affairs and the OUS Controller must approve any amount in excess of this. Excess uncommitted funds at year-end not approved for carryover are credited to the Current General Fund of the University.

**COMPLIANCE** - To ensure expenditures are conducted in accordance with all applicable laws, regulations, policies, procedures and sound business practices.

**CONFIDENTIALITY AGREEMENT** - also called a Non-Disclosure Agreement; is used where one party provides confidential information to someone else and that person agrees not to divulge this information to others. A confidentiality agreement may be one-sided where only the person who receives the information is prevented from disclosing any confidential information, or it may be mutual where both parties disclose confidential information to each other and both agree not to divulge this information to others. Project sponsors may ask Extension professionals to sign confidentiality statements to protect the privacy of program participants or program results.

**CONFLICT OF INTEREST STATEMENT** – OSU requires any professional who has a significant role in externally funded projects, to disclose any potential conflicts of interest by completing a Conflict of interest form. Project sponsors may ask Extension professionals working with a project to disclose any potential conflicts by signing a similar statement.

**CONTINUING PROJECT** – is a project that receives funding from the same funding source year after year. Although a new contract is generated each year, the relationship is on-going and seamless.

**CONTRACT**—is “An agreement between two or more parties, especially one that is written and enforceable by law.” (Webster). All parties to the agreement sign the document as evidence of their willingness to abide by its terms.

**CONTRACT** - Per FASOM, the written agreement, including OUS or any of its institution’s solicitation document and the accepted portions of a bid or proposal, between OUS or any of its institutions and the contractor describing the work to be done and the obligations of the parties. Depending upon the goods and services being procured, OUS or any of its institutions may use "contract" as meaning a purchase order, price agreement, or other contract document in addition to OUS or any of its institution's solicitation document and the accepted portions of a bid or proposal.

**CONTRIBUTIONS** - The Oregon University System has no authority or obligation to make disbursements for voluntary contributions, donations or funds solicited for various causes.
**COST RECOVERY** – charging fees to cover costs that are incurred by the organization as part of the plan of work. Most often this involves collecting fees to partially or fully reimburse employee salary and benefits, and operating costs associated with an ongoing project (travel, supplies, equipment, etc.). Cost recovery practices focus on existing costs in the organization that traditionally have been funded by government appropriations.

**DIRECT PROJECT COSTS** – expenses related to conducting the event itself, including room and equipment rental fees, refreshments, printing, educational materials and supplies for participants, and honoraria and travel expenses for program presenters.

**DEPARTMENTAL RESEARCH** - Research, development and scholarly activities that are not sponsored research. That is, they are not separately budgeted and accounted for.

See [http://oregonstate.edu/research/SponsoredPrograms/index.html](http://oregonstate.edu/research/SponsoredPrograms/index.html) for information on sponsored research.

**DESIGNATED OPERATIONS FUND (05XXXX Fund Series)** - This series of funds is used to account for the direct and indirect efforts of self-sustaining activities related to instruction, testing, and public service (non-instructional services to the general public or outside groups, including consulting services, special interest activities and publications, and camps.)

In addition, this fund type allows units with self-sustaining activities to charge for “departmental administrative effort”.

Self-sustaining means the activity is fully supported by user fees and is not subsidized by general operating funds.

See FIS Policy 1403-01 at [http://oregonstate.edu/dept/budgets/FISManual/FIS1403-01.htm](http://oregonstate.edu/dept/budgets/FISManual/FIS1403-01.htm)

**DIRECT COSTS** - Those expenses which can be charged directly as part of the cost of a service, as distinguished from overhead and other indirect costs which must be prorated among several services, departments or operating units. Direct costs include salaries, wages, OPE, supplies, travel that are directly attributable to a self-sustaining activity.

**DEPARTMENTAL ADMINISTRATIVE EFFORT** may be incurred for promoting, supporting or accounting for these activities. Up to 15% of **revenue** may be recovered for incurring these expenses. The amount recovered must be justified and documented and is subject to review by OSU Business Affairs and auditors.
UNIVERSITY INDIRECT COST ASSESSMENT of 8% of direct costs. (Be sure to include this cost in setting cost recovery fees.)

FOAPAL - Acronym for the six chart of accounts elements used to process financial data. FIS term standing for fund, organization, account, program, activity and location codes.

FUND ACCOUNTING - A method of recording financial information that groups resources into funds based on their source and any limitations on use.

FUND BALANCE - Fund balances are the excess of the assets of a fund over its liabilities. The term net equity is often used to mean fund balance.

FUND CODE - This is the first element in the FOAPAL and the source of revenue/budget. Examples: general funds, grant funds, gift funds, agency funds, service department funds, designated operations funds, inventions/royalties funds, auxiliary funds, student loan funds, endowment funds, plant funds.

GIFT - This is the receipt of cash or other resources from a donor where the donor has no expectation of anything in return. A gift may be unrestricted or restricted as to use.

GIFT (OHIO) – (also called a donation) a voluntary and irrevocable transfer of money, services, or property (e.g., equipment, personnel time and skill, etc.) from a donor without any expectation or receipt of direct economic benefit or provision of goods or services from the recipient. A gift may have a restricted purpose or designated use.

GRANT - This is an instrument of commitment from an outside source for a project. Resources provided by a unilateral agreement signed by the grantor and issued to a grant recipient or grantee. Expenditures are governed by general rules covering all agreements issued by the grantor. The agreement also includes the grantee’s obligation to use the resources for the purposes stated in the grant and subject to the conditions of the grant. See Grant, Contract, and Gift Accounting Policy & Procedure Manual at http://oregonstate.edu/dept/budgets/GCGManual/GCGTOC.htm

HOME UNIT – the unit responsible for administering a project; the project may include several “employing units” for staff who work on the project.

INDIRECT COSTS - Amounts charged on transactions to cover overhead costs, such as administrative support, utilities, that are not specifically charged to any fund. Also known as facilities and administrative costs. See Grant, Contract, and
INSTITUTIONAL SUPPORT - Expenses associated with units that provide support to the entire University. This includes the President’s office, Provost, Vice Provost for Academic Affairs, and Vice Provost for Research. It also includes activities of the Business Affairs Office, Business Services, Legal Counsel, Budgets Office, Institutional Research, Human Resources, and Information Services.

LETTER OF AGREEMENT – a simple letter between two or more entities that confirms arrangements for services or goods to be provided. Usually done in a more casual letter style, it does not include legal terms or conditions found in more formal contracts.

MEMBERSHIP FEE - a fee that is charged to cover part of the costs of delivering a program(s) for a prolonged time period, such as one year. Specific costs used to set the membership fee are not required to be identified.

MEMORANDUM OF UNDERSTANDING (MOU) – (also called an Memorandum of Agreement – MOA) An agreement of cooperation between two or more individuals, groups, organizations, etc. that defines the roles and responsibilities of each entity in relation to the other or others with respects to an issue over which the entities have concurrent jurisdiction. An MOU is generally considered to be a preliminary agreement with more detail to follow in a later document.

NEW PROJECT FUNDS - funds for new initiatives and/or from sources not currently supporting Extension programs.

ONE-TIME VENDORS PAYMENT SYSTEM - One-time vendors are refunds of workshop registrations/workshops that have been cancelled that have been paid, and parking citations that have been appealed and reduced.

Basically, it is revenue paid to OSU that is being refunded, and not used for the purpose paid.

Qualifications for one-time vendors:

- Vendor is NOT already set up as a vendor in Banner.
- Vendor is NOT a company or a business.
• Vendor is not an employee.

• Refund amount of $500 or less

• The payment cannot be considered an expense to the University.

Refunds must be the full amount of the original payment made to the University.

If any part of the refund is retained by OSU as a processing/handling fee, then the payment does not qualify as a one-time vendor. Payment should be made through normal means.

**OPE** - Other payroll expenses (fringe benefits). These include retirement, Medicare, FICA, and benefit contributions.

**OTHER SPONSORED ACTIVITIES** - Programs and topics separately funded by Federal and non-Federal agencies and organizations, which involve the performance of work other than, sponsored, basic or applied research.

**PRIVATE GOOD PROGRAMS** – programs that are developed or customized for a specific individual, group, or business primarily for their economic benefits. (See Public Good and Private Good programs on pages 1-2 for more detail.)

**PROJECT PERSONNEL COSTS** – expenses, including salary and benefits of the professional and support staff directly involved in preparing, delivering, and supervising or coordinating the project.

**PUBLIC GOOD PROGRAMS** – Programs and services provided to and for the general public that are primary and fundamental to the mission of OSU Extension. (See Public Good and Private Good programs on pages 1-2 for more detail.)

**PRIVATE GOOD PROGRAMS** – programs that are developed or customized for a specific individual, group, or business primarily for their economic benefits. (See Public Good and Private Good programs on pages 1-2 for more detail.)

**PROJECT** – any grant, contract, or MOU funded by an organization outside OSU.

**PROJECT DEVELOPMENT COSTS** – expenses related to developing a curriculum for a particular project, including reference materials, teaching guides, handouts, and marketing materials.

**REASONABLE** - A cost may be considered reasonable if the nature of goods and services reflects prudent action. Generally, charges for good or services that
foster or support the ongoing missions of the University are considered reasonable as long as they comply with the regulations by which the University is governed.

**REDUCTION OF EXPENSE** - Deposits made as a reduction of expense are very limited under Oregon Executive Department rules. It is used for the return of goods and services or a discount given from the vendor after the bill has been paid. In both instances, both the return and the discount are with the original vendor. If the vendor was overpaid and a refund is received, the refund is credited to the fund and account code to which the purchase was charged. It is not a reduction of expense when the University is reimbursed for an expense from someone other than the original vendor. In that case it is income and should be recorded as income by using income account codes (0xxxx).

Outside entities may reimburse the campus, pay a service provider directly, or reimburse an employee for travel expenses related to OUS business. If the reimbursement is made to the campus, it should be accounted for as a reduction of expense. See the OUS FASOM Section 11.01: Travel -- Administration for additional information.

Contact Office of Business Affairs if there are questions about which type of account code to use.

**REFUNDS** - This is a repayment of expenditures that were overpaid or where we are otherwise entitled to receive money back from the vendor. This could be the result of such things as:

- A conference registration payment where the conference is later cancelled.
- Return of a defective item that isn’t replaced.
- Refund of an overpayment.

The amount refunded should be deposited (credited) against the original expenditure account code. These are instances where we have not received value (i.e. no goods or services were received) and, therefore, no expenditure has occurred. This is the only time that funds received would be credited against an expenditure account code on your deposit sheet.

**REIMBURSEMENTS** - These are reimbursements to OSU that can occur as a result of a staff member officially representing the University in the course of their job. It could also occur whenever an outside entity reimburses OSU, whatever the reason, for expenditures OSU has incurred. Examples include:
• If OSU receives funds because an employee has been a conference speaker, it should be accounted for as a reduction of expense. See FIS 102-08: Travel Paid by Outside Source. Also see FASOM 11.01 Travel Administration.

• If an employee is hired as a conference speaker, he/she is acting as a consultant, and the money is his/hers and OSU doesn’t become involved. (The staff member would get a 1099 form from the hiring entity for tax purposes.)

• If the hiring entity reimburses travel or other costs when OSU has paid those costs, the employee is responsible for reimbursing OSU for those costs. Example: Charging airfare through OSU contracted travel agency to a university index.

REIMBURSEMENTS INVOLVING GRANT FUNDS - Only the Grant Proceeds and program income can be deposited into Grant Funds. No other revenue sources can go into these funds. If there is a reimbursement received related to a person paid from a grant, then a portion of that person’s costs need to be moved off the grant and onto the same index where the reimbursement money is deposited. The amount of the expense moved off the grant should be equal to or greater than the amount of the reimbursement. Reimbursements do not qualify as a reduction of expenditures. This is because there was value received by OSU and that makes it a valid expenditure. The reimbursement represents revenue and should be deposited that way.

RELEASE TIME – Time that Extension employees, who are already paid from Extension funds, work on a project. There are two kinds of release time:

• Sponsor pays for the "release" time. This is also referred to as "salary cost recovery."

• The staff member works on the project with no cost to the sponsor. This is referred to as "cost share," and no salary cost recovery occurs. This may be used as an in-kind match when required by project sponsors.

RESERVES - This is an account which records a portion of the fund balance which is segregated for some future use and which is, therefore, not available for further appropriation of expenditures. Budgeted Reserves are moneys set aside for contingencies and are not yet allocated for expenditure. Reserves differ from renewal and replacement funds in that reserves are general fund monies and are for any contingency rather than just to fund future equipment purchases and building repairs.

RESTRICTED FUNDS - Used to identify resources that may be available for current operations, but that are to be used only for a specific purpose as directed by the donor, or the granting or contracting agency. Examples include sponsored research, gifts for construction of a facility, or student aid.
Grants and contracts may be in operation for multiple years and these funds can be tracked on grants ledgers, screens in the financial system that are not limited to current fiscal year activity.

**REVENUE** - Proceeds from any activity sponsored by OSU, evidenced in part by the use of OSU letterhead, and/or using state resources such as employee time and effort, state facilities, state vehicles, etc., are deemed to be State of Oregon revenue and must be deposited into an OSU fund. An example would be proceeds from short course workshops and seminars.

**SALARY COSTS** – includes total salary and benefits paid to an individual.

**SALARY COST RECOVERY** – the portion of a staff member’s “regularly funded” salary and benefits paid by the sponsor of a project for work on that project. The regular salary is thus “recovered.”

State curriculum fee: Costs established within each program area that must be included in the cost of user fees for local programs.

**SELF-SUSTAINING UNITS** - A unit or office supported by OSU Extension that is expected to generate a portion of their ongoing operating costs through user fees. These units have specific costs for programs and/or services offered.

**SPONSORED INSTRUCTION AND TRAINING** - Specific instructional or training activity established by a grant, contract, or cooperative agreement.

**SPONSORED RESEARCH** - This includes all basic or applied research that is separately budgeted and accounted for within the official OSU system. This may also be called organized research.

**SPONSORSHIP OF FEES** - Program sponsors may be secured to pay some or all of the costs that would otherwise be recovered through user fees. Sponsors may include businesses, agencies, professional organizations, employers, associations, etc. and is distinguished from a gift or donation in that the sponsor does not expect to receive acknowledgement of a tax-deduction.

**STIPEND** - A subsistence allowance for students, post doc’s and participants to help defray general living expenses in support of those engaged in training or research programs

**TAX EXEMPT STATUS OF OUS** - The Controller’s Division occasionally receives a request from an institution for an IRS tax exemption status letter. The inquiry is usually in conjunction with a request from a donor. It is not possible to furnish such a letter, since it does not exist. OUS institutions, as agencies of the State of
Oregon, are exempt from tax under IRS Code 115. The federal government does not issue tax exemption status letters for organizations exempt under this section of the code.

**UBIT (UNRELATED BUSINESS INCOME TAX)** - A tax imposed on a nonprofit exempt organization on income derived from an activity of a trade or business, regularly carried on, that is not substantially related to the organization's tax exempt purpose. For more information, see section 501 on Unrelated Business Income Tax.

**UNDISTRIBUTED/UNEARNED INCOME** - Represents cash received from a third-party in advance of earning the funds as revenue. These receipts should be recorded as a balance sheet liability. Examples include such things as:
- 4-H summer camp fees received in one fiscal year for a camp being held the next fiscal year.
- Deposits from customers participating in the Master Gardener program. The deposit portion of the fees received may be refundable to the customer.

**UNRESTRICTED FUNDS** - This is used to identify resources with no specific limitations imposed by donors or external agencies. These types of funds represent the resources available for the general operations of the University.

Included in this category is the general fund, with revenues primarily from state appropriations and student fees for tuition; income/expense funds, with revenues from student fees and/or departmental sales and services; and unrestricted gift funds.

**USER FEE** – is a fixed price that is charged to recover some or all of the costs of the program.

- Generally, user fees are based on an anticipated number of program participants sharing the total “direct program costs” for the program.
- Project personnel costs may be included when calculating the user fee for a program.
Appendix IIIB. Fee-based Instruction by Extension Faculty Policy (for credit or non-credit)

The OSU Extension Service is committed to the goal of making OSU more accessible to Oregon residents. Integration of teaching and Extension programs to better serve our citizens’ needs is facilitated by this policy. Participation of Extension faculty in for-credit instruction or non-credit courses sponsored by our university and other collaborators provides an excellent opportunity for professional development and Extension program enhancement. In addition the recovery of costs can be a way to enhance Extension program delivery at the local level, since fees and/or salary savings are returned to the program area or possibly to the individual.

Fee based instruction represents an opportunity for Extension faculty to participate in credit or non-credit instruction where the client and/or the marketplace provide an opportunity to recover a substantial amount of the costs for the education provided. Fee based instruction generally goes beyond “traditional boundaries” of Extension programming and may be in partnership with OSU Extended Campus (EC) or some other collaborating institution.

For the purpose of this policy, for-credit courses include institutional course credit and EC credit. Approval for participation as an instructor is necessary as shown in the table at the end of this policy. For any fee-based instruction outlined in this policy, course service and supplies may in part or be totally supported by course fees.

Non-credit courses taught by Extension faculty but sponsored or co-sponsored by our university and other collaborators may be provided on a fee-for-service basis as appropriate for the audience, course objectives, and market. The fee may recover all or a portion of the cost of the course. Registration fees may be deposited in a workshop (self supporting) index to help pay for costs associated with the workshop, including compensation for instruction.

Compensation for instruction may take a variety of forms. The faculty member, in order to enhance program or to invest in professional development, may deposit funds in a workshop, development or professional development account for later use. Or salary costs can be “bought-out” for a period of time. If Extension salary costs are to be paid from a workshop index, approval and documentation similar to that outlined in the section on “Credit Course Instruction” must be followed. When charging for a non-credit course differs from standard, accepted practice or when it raises important issues relating to the relationship with the audience or community, use of faculty time, or the amount and/or use of the funds received, then prior approval of the immediate supervisor and program leader is required.
Credit Course Instruction by Extension Faculty

Presenting a guest lecture, serving on graduate committees, and supervising students is encouraged when it supports/complements Extension programming and when it is approved by the immediate supervisor and, if it requires a significant time commitment, the program leader.

Faculty members under the circumstances described below can accept primary responsibility for a credit course. However, state and federal Extension funds may not be used for salaries or expenses relating to the offering or conducting of college courses for credit. This is based upon the Smith-Lever Act as amended in August 1991 (Section 5): “No portion of said moneys shall be applied directly or indirectly... in college-course teaching, lectures in college, or any other purpose not specified in this Act.”

Extension faculty may assume primary responsibility for a credit course when it meets the following conditions and a formal request has been approved. Extension faculty may also serve as key members of a team that is planning, developing and leading a credit course. The process for team leadership is similar to individual leadership of a course. The formal request can be initiated by the faculty member or team, an OSU department, or another institution, and needs to contain:

1. The name of the faculty member or team, the name of the course, the duration of the course, the anticipated number of students, the number of contact hours, and other information important for determining the overall effort associated with the course.
2. The amount of salary and associated “other payroll expenses” (OPE) that will be transferred from the Extension index to the non-Extension index should be of a magnitude and duration that is appropriate or customary for the college or department offering the course.
3. A description of how non-extension funds will be used to support the teaching of the course.
4. A description of how the Extension savings will be used to maintain, strengthen, or enhance the Extension program.
5. A description of how the experience will enhance the Extension program and/or promote faculty member’s professional development.
6. The request must be submitted to and approved by the immediate supervisor and the appropriate program leader or designee.

In cases where another institution is involved the process can take several forms:
1. Develop an Intergovernmental Personnel Agreement (IPA). This may be a simple way to cover salary and OPE expenses with minimal overhead charges.

2. Follow a process similar to obtaining an outside grant or contract. The faculty member must submit a written proposal for approval from his or her college and the OSU Research Office. The proposal follows the same process used as when obtaining grant funds from outside sources (complete the blue “Check-Off Sheet” from the Research Office). Faculty also should contact the appropriate OSU department to have it determine if OSU credit might be offered. In this case, the department works with the EC Office.

Upon approval, it is the responsibility of the program leader or designee to assure that appropriate forms are completed to transfer salary and OPE expenses to the appropriate account. Extension salary savings and OPE created by the reduction of Extension FTE will be returned to the program area as described in the “Priority Staffing and Vacancy Management” policy.

**Offering Credit for an Extension Course**

Some participants in more formal Extension courses (such as the Master Gardener Program) may wish to earn university credit for their participation. This is encouraged as it increases Extension’s ability to serve the broader mission of the University and it may promote service to more audiences.

Through the involvement of the appropriate OSU department and/or the EC Office, it may be possible for some participants to earn credit after completing course requirements, but the for-credit option must be arranged in advance. In this case, a non-Extension source of salary and OPE funding is not required. The need for non-Extension salary and OPE funding is based on the primary audience. If the program is based on a traditional Extension program that is expanding to include a for-credit option, then a reduction in Extension FTE is not required. However, if the program is developed primarily for students desiring credit and that is the primary audience, a reduction in Extension FTE is required. Often there are University fees for issuing and recording official credit that will need to be collected when participants chose to receive credit for a course.

The awarding of certification and continuing professional units for completion of Extension courses is consistent with the provisions of the Smith-Lever Act and does not require a reduction in Extension FTE, but if fees are collected for instruction, a written agreement is required.
Teaching as an Outside Professional Activity

Extension faculty wishing to teach at another institution are subject to the “OSU Policy on Outside Professional Activities (1998)” ([http://oregonstate.edu/research/RegulatoryCompliance/outside.html](http://oregonstate.edu/research/RegulatoryCompliance/outside.html)). Also consult “The Extension Guidelines on Outside Professional Activities.”

Compensation for Overload Assignment

In cases where the teaching is being done as part of an OSU program and the work is above the faculty member’s regular duties, an overload compensation may be approved. Refer to [http://oregonstate.edu/facultystaff/handbook/toc.htm#consult](http://oregonstate.edu/facultystaff/handbook/toc.htm#consult) (College/Unit approval is required)

<table>
<thead>
<tr>
<th>Function</th>
<th>Primary responsibility</th>
<th>Approval</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guest lecturer, graduate Committees, intern supervision</td>
<td>Faculty member</td>
<td>Immediate supervisor, program leader</td>
<td></td>
</tr>
<tr>
<td>Noncredit instruction with faculty cost recovery</td>
<td>Faculty Member</td>
<td>Immediate Supervisor and program leader or designee</td>
<td>Compensation options: Buy-out of salary or contribution to workshop, development or professional enhancement index.</td>
</tr>
<tr>
<td>Proposal for primary responsibility to teach non-OSU course for credit</td>
<td>Faculty member</td>
<td>Immediate supervisor, program leader, IPA or proposal blue sheet which includes academic home dept. head, dean and Research Office</td>
<td>Requires a buy-out of salary and OPE</td>
</tr>
<tr>
<td>Proposal for primary responsibility to teach OSU course for credit</td>
<td>Faculty member</td>
<td>Immediate supervisor, program leader</td>
<td>Requires a buy-out of salary and OPE</td>
</tr>
<tr>
<td>Labor distribution form</td>
<td>Immediate supervisor/ program leader with help from Personnel Office</td>
<td>Extension Dean Academic home Dean</td>
<td>This is a follow-up paperwork to the 3 options immediately above.</td>
</tr>
<tr>
<td>Offer of Extension program for credit</td>
<td>Faculty member</td>
<td>Consistent with University policies</td>
<td>Coordinate effort with immediate supervisor/ dept. head/ program leader/ Extended Campus</td>
</tr>
<tr>
<td>Compensation for Overload Assignment</td>
<td>Faculty member</td>
<td>Program Leader or designee/immediate supervisor</td>
<td></td>
</tr>
</tbody>
</table>

1/21/03
Appendix IIIC. Workshop or Training Fiscal Worksheet

WORKSHOP OR TRAINING FISCAL WORKSHEET

<table>
<thead>
<tr>
<th>PRINTED NAME/ADDRESS</th>
<th>SIGNATURE OF PARTICIPANT</th>
<th>AMOUNT PAID FOR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Workshop Fee</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Gift/Donation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Check #</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Cash Paid</td>
</tr>
<tr>
<td></td>
<td></td>
<td>TOTAL Paid</td>
</tr>
</tbody>
</table>
## Appendix IIID. Program-Event Budget

### Event Title:  
Primary Contact:  
Primary Region:  
Program/Event Date(s):  

### SECTION 1: REVENUE

<table>
<thead>
<tr>
<th>Revenue Item</th>
<th>Budget</th>
<th>Actual Exp</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registration fees # @</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Materials fees # @</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additional support</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (attach explanation)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

### SECTION 2: PROGRAM / EVENT DEVELOPMENT COSTS

#### A. Services & Supplies

<table>
<thead>
<tr>
<th>Services &amp; Supplies</th>
<th>Budget</th>
<th>Actual Exp</th>
</tr>
</thead>
<tbody>
<tr>
<td>Materials/Design</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brochure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Printing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Postage</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Service &amp; Supplies</strong></td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

#### B. Staff Time

<table>
<thead>
<tr>
<th>Staff Time</th>
<th>Projected Exp</th>
<th>Actual Exp</th>
</tr>
</thead>
<tbody>
<tr>
<td>County Specialist Time @ $32/hr</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Campus Specialist Time @ $38/hr</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Prog Assistant Time @ $20/hr</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Other Staff Time @ $</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Sub-Total Staff Costs</strong></td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

**Sec. 2 Total Development Costs (A + B)**  
$0 $0
SECTION 3: PROGRAM / EVENT DELIVERY COSTS

<table>
<thead>
<tr>
<th>A. Services &amp; Supplies</th>
<th>Budget</th>
<th>Actual Exp</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Registration</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Materials</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Presenters</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Travel/Lodging/Meals</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sub-Total - Services &amp; Supplies</strong></td>
<td><strong>$0</strong></td>
<td><strong>$0</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>B. Staff Time</th>
<th>Projected Exp</th>
<th>Actual Exp</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hours</td>
<td>Cost</td>
<td>Hours</td>
</tr>
<tr>
<td>County Specialist Time - @ $32/hr</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Campus Specialist Time @ $38/hr</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Prog Assistant Time @ $20/hr</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Other Staff Time @ $</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total Staff Costs - Prog/Event Devel.</strong></td>
<td><strong>$0</strong></td>
<td><strong>$0</strong></td>
</tr>
</tbody>
</table>

**Sec 3. Total Delivery Costs (A + B)** $0 $0

SECTION 4: POST PROGRAM / EVENT EVALUATION COSTS

<table>
<thead>
<tr>
<th>A. Services &amp; Supplies</th>
<th>Budget</th>
<th>Actual Exp</th>
</tr>
</thead>
<tbody>
<tr>
<td>Materials Design</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Data Collection</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Other</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Sub-Total - Services &amp; Supplies</strong></td>
<td><strong>$0</strong></td>
<td><strong>$0</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>B. Staff Time</th>
<th>Projected Exp</th>
<th>Actual Exp</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hours</td>
<td>Cost</td>
<td>Hours</td>
</tr>
<tr>
<td>County Specialist Time - @ $32/hr</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Campus Specialist Time @ $38/hr</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Prog Assistant Time @ $20/hr</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Other Staff Time @ $</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Total Staff Costs - Prog/Event Devel.</strong></td>
<td><strong>$0</strong></td>
<td><strong>$0</strong></td>
</tr>
</tbody>
</table>

**Sec 4. Total Evaluation Costs (A + B)** $0 $0
Cost Recovery Program Levels

**Level 1** - These are programs/services fundamental to the mission of Oregon State University Extension. These programs would be offered at no charge and have no need to recover even service and supply expenses, or there is a need or opportunity to recover some materials, supplies and other program delivery costs such as refreshments or room rental.

**Level 2** - These are programs/services that are targeted and context specific. They would be offered at a charge to cover out-of-pocket expenses plus personnel and travel costs.

**Level 3** - These are programs/services designed for a specific individual, group, or business. The benefits accrue primarily to the individual or narrowly defined group. These programs would be offered at a charge to cover all program expenses, personnel and travel costs, and administrative or indirect costs. It is anticipated that the majority of these programs or services would require a contractual agreement.
APPENDIX IV
Appendix IVA – OSUES Fund Raising Principles and Practices

Accountability in Fund Raising

Oregon State University Extension Service:

- Holds the public trust to improve the quality of life in Oregon.
- Will clearly state its mission and purpose on promotional information.
- Will freely and accurately share information about its governance, finances and operations.
- Is open and inclusive in its procedures, processes and programs consistent with the mission and purpose.
- Is accountable to all citizens of the state.

Further, so that donors and supporters can count on us, Oregon State University Extension Service will:

- Maintain relevance by meeting needs in a changing environment.
- Enhance the well being of communities and the state.
- Promote inclusiveness, pluralism and diversity within society.
- Maintain effective governance and management.
- Manage resources effectively.
- Avoid conflict of interest and abuse of power.
- Strive for and achieve excellence in all aspects of the organization.
- Evaluate the total organization and its outcomes on an ongoing basis.

Donors to OSUES have the right to:

- Be informed of the organization’s mission and purpose.
- Understand how the organization intends to use donated resources.
- Know the organization’s capacity to use donations effectively for the intended purpose.
- Have access to the organization’s most recent financial statements.
- Be assured their gifts will be used for the purposes for which they were given.
- Receive appropriate receipts and acknowledgements.
- Be assured their gifts will be handled with respect and confidentiality within the law.
- Expect that all relationships with individuals representing OSUES will be professional in nature.
- Be informed whether those seeking donations are volunteers, employees of OSUES or the OSU Foundation, or paid solicitors.
- Have their names deleted from mailing lists upon request.
- Ask questions and receive prompt, truthful and forthright answers.
• Receive informed, accurate, and ethical advice about the value and tax implications of their gifts.
• Have their gifts used in accordance with their intentions.
• Expect that their explicit consent will be required before the conditions of a restricted gift are changed.

Individuals representing OSUES or the OSU Foundation for the purpose of private fund raising shall:

• Not engage in activities that harm the organization, clients, or volunteers.
• Not engage in activities that conflict with their fiduciary, ethical, or legal obligations to OSU.
• Not exploit any relationship with a donor, prospect, volunteer, client or employee to the benefit of the individual or organization.

**Presentation of Information**

OSUES fundraisers shall not disclose privileged or confidential information to unauthorized parties.

All donor and prospect information created by OSUES or the OSU Foundation is the property of that organization and shall not be transferred or utilized except on behalf of OSUES.

When reporting fund raising results, OSUES and the OSU Foundation will use accurate and consistent accounting methods that conform to the appropriate guidelines adopted by the American Institute of Certified Public Accountants.

All solicitation materials should be accurate and correctly reflect the organization’s mission and use of solicited funds.

*Adapted from the Association of Fundraising Professionals Code of Ethical Principles and Standards of Professional Practice.*
Appendix IVB. Glossary of Fund Raising Terms

**Charitable Gift:** Cash, stocks, in-kind, or securities given to a non-profit organization to support a charitable cause.

**Deferred or Planned Gift:** A gift that does not immediately benefit the non-profit organization but will mature in time. Types of deferred giving include:
- **Pledge:** A written promise to make a gift within a specified period of time
- **Bequest:** A gift left behind in a will
- **Charitable Gift Annuity:** Donor will gift an amount of money (minimum $25,000), the money is invested and the donor receives a fixed amount for life. Upon their death the balance of the annuity is transferred to the non-profit organization.
- **Charitable Remainder Trust:** Similar to a gift annuity but payouts and terms vary.

**Restricted Gift:** A gift given with a particular purpose in mind. These gifts can support particular programs, endowments, scholarships, or activities.

**Unrestricted Gift:** Gifts donors give to support the program without constraints on what area it is to support. Often these gifts will go “to the area of greatest need”.

**Endowment:** A gift that is invested and the principle are kept untouched. The annual interest earned from the gift is available to be expended to the area prescribed by the donor. This is a gift that will continue to benefit the non-profit organization in perpetuity. $10,000 is the minimum the OSUF will endow.

**Endowed Chair:** similar to an endowment. The interest pays the annual amount needed to keep a full time staff member employed. Requires a significant investment.

**Payroll Deduction Gifts:** Gifts automatically taken from an employees check in predetermined amounts that benefits a certain area. A very convenient way for someone to make a gift without having to gift the entire amount up front.

**On line Giving:** A method of giving a gift through a secured website. These websites are kept under tight security and offer a very quick way to make a gift. Visit [http://osufoundation.org/giving/index.html](http://osufoundation.org/giving/index.html) to see an example.

**Fund Agreement:** A signed agreement between the donor and the non-profit organization on the terms of an endowed gift. This agreement ensures that the wishes of the donor are recorded and serve as a lasting reminder to how the endowed gift is to be carried out.
**Fund Guidelines:** A more loosely defined use for a fund. Primarily used when there are multiple donors to a fund.

**Foundations:** A non-profit organization that manages money for the purpose of giving it away to other non-profit organizations. Heavily regulated, these foundations are required by the government to donate a certain percentage of their earnings every year. This is a very popular mechanism with companies and families to manage multiple charitable contribution requests.

**Foundation Account:** Accounts created within the OSU Foundation to deposit and expend money for the educational purposes of the account. Only certain people are authorized to access these accounts.

**501 c 3 Organization:** The official designation is granted to non-profit organizations. Recognized by the government, each organization has its own non profit tax identification number used for tax purposes.

**Development Director:** The paid professional who manages all aspects of the major gift program of a given unit. Responsible for the identification, cultivation and solicitation of all major gifts. Works very closely with staff and faculty to achieve goals.