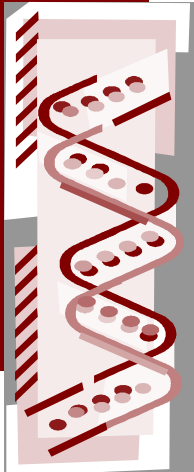


Research Funding: Gift, Contract, or Service?



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Research funding comes in several different formats. Each format results in different expectations from the industry funding it. Three of the most common funding formats are described below.

Gift

A gift provided to the university to support research is the least contractually binding arrangement. Gifts may be provided as *unrestricted research* for a principal investigator, center, department, or college, or may be provided to support an area of research, such as *maize molecular biology*. This type of funding is often provided for research that will benefit the industry as a whole, but has no strategic advantage for an individual company. Gifts come with *no strings attached*, meaning the company has no control over the funding other than it will be applied toward research in the specified area. There are usually no time lines or expected deliverables involved with research gifts and no expectation of intellectual property resulting from the research. Industry benefits from these gifts through public relations and tax benefits.

Contract

The most common type of industry research funding is a contract. Contracts go by many other names, including sponsored research agreement, memorandum of understanding, etc. These agreements contain a specific work plan, budget, and time line. While the research is guided by the work plan, specific action steps and protocols are left to the discretion of the principal investigator. Industry benefits from these contracts through access to intellectual expertise in this area, access to potential employees (students), and research results that will potentially form the background knowledge for a strategic advantage for the company.

Fee for Service

Usually refers to testing or analysis. Fee-for-service agreements go by many names, including seed testing agreement, product evaluation agreement, or those mentioned above under Contracts. Examples include work done at ISU's centralized instrumentation facilities such as protein characterization or DNA sequencing. Alternately, a faculty member may have developed an analysis procedure or a testing system that is made available to industry, such as testing animal health products at the College of Veterinary Medicine. These agreements often are accompanied with a work plan that includes specific protocols and procedures. Intellectual property does not often result from this type of contract. Industry benefits from these agreements through access to analyses or services they cannot provide *in-house*, independent (unbiased) research results on potential commercial products, and/or access to individuals with expertise in the service area.

Reminder: All research funding must be approved by the contracts and grants office.

If you have any questions about research funding or would like assistance in preparing or reviewing an agreement, please contact:

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