



Smithsonian Astrophysical Observatory

Director's Office

**SAO Policy and Procedures for
Communications with Non-Government Funding Sources
May 7th 2012**

Background

The Smithsonian Institution is in the “quiet phase” of an ambitious campaign to secure as much as \$1.5 billion in private support before 2017. SAO’s sub-goal within this total is ~\$90 million, which includes our 10% share in the Giant Magellan Telescope, and also encompasses \$20M for endowed trust positions and discretionary endowments to fund promising projects that advance our core research mission. We can expect to benefit substantially from this campaign and will pay our fair share of the costs through various charges against gifts, grants and contracts that recover the costs of Institution-wide advancement related activities to fund the National Campaign.

The National Campaign is centrally managed and sets forth expectations for SI units that approach and work with private funding sources. All Smithsonian unit advancement offices are to coordinate all of their approaches to private funding sources with the Smithsonian’s central Office of Advancement before any proposals or requests are submitted. This policy allows the Smithsonian as a whole to present a coordinated approach to funders and to work with donors to meet their philanthropic goals in an integrated way. This policy also allows the Smithsonian to track and document the number of pre-submission contacts with private funding sources, a metric that is used, along with actual submissions of proposals, to evaluate the performance of unit directors and unit advancement staff.

Overview of Policy

To that end, SAO announces updates (spelled out below) to the procedures we must follow when submitting proposals and requests for non-government funding to entities such as private foundations, family foundations, trusts, corporations, small businesses, sole proprietorships, other non-profit organizations and individuals. These procedures are analogous to those detailed for the Smithsonian Institution in SI Directive 321 (<http://prism.si.edu/opmb/pdf/SD321.pdf>). **When a SAO staff member is considering approaching a private entity for non-government financial or in-kind support, he/she is required to contact the SAO Advancement Office before initiating any contact with the funding source. In the case where private funding sources initiate contact with the SAO staff member, he/she should immediately notify the SAO Advancement Office.** This allows for proper coordination and communication between SI and SAO and ensures effective coordination within SAO among the Principal Investigator, the Division Administrator, the Advancement Office and the Sponsored Programs and Procurement (SPP) Department at the earliest stage of consideration, as set forth below. In addition, SAO requires that all other communications with private external funding sources be discussed with the Advancement Office before any contacts are initiated.

Applicability

This policy applies to all proposals submitted to non-government funding sources that might result in an award of a non-government contract, grant, or gift. Only projects that advance SAO’s core mission and/or SI’s National Campaign objectives will be recommended for submission to private funding sources, and then only according to the policy and procedure outlined below. The policy also applies to all post-award communications with private external funders as noted below.

Responsible SAO Offices

SPP has primary responsibility for securing and administering grants, contracts, and other agreements (sponsored projects) from external funding sources with legal, financial, or other restrictions. External funding agencies can include local, state, and national governments as well as private foundations, businesses, and industries. SAO's Advancement Office has primary responsibility for fund raising and other advancement activities including the management of relationships with private external funders that can or do result in gifts or grants from non-government external funders accepted on behalf of SAO. SAO's new policy is that the principal investigator should contact the Advancement Office at the beginning of the process. SAO staff who wish to contact a funder following the awarding of a gift or a grant should coordinate with the SAO Advancement Office before initiating any contact. This includes contact concerning no-cost extensions, reprogramming of budgets, changes in personnel, requests for travel, and all other matters that might reasonably entail contacting the funder.

Policy and Procedures

1. SAO staff seeking to make contact with prospective or current private funders (see above) should discuss their plan with the SAO Advancement Office prior to making any approaches by phone, in writing, by email, or in person. The Advancement Office is responsible for coordinating SAO approaches to prospective funders both within SAO and with SI's Office of Advancement. This step ensures that multiple Smithsonian or SAO approaches are not made to private funding sources without proper coordination and consideration of the donor's best interest. In some cases, SAO's requests to approach a private funder may interfere with or complicate an ongoing SI or SAO discussion with the funder. In such cases, the request may be deferred or denied by either SAO's Advancement Office or by SI's Office of Advancement.
2. SAO researchers and staff who are approached by prospective or current private funders should notify the SAO Advancement Office immediately, and before responding to any requests for proposals. SAO staff may not accept or negotiate gifts, grants or contracts on behalf of the Smithsonian or SAO. This is the responsibility of the SAO Advancement Office and SPP, who will work together in these cases.
3. Once a request from a SAO PI is cleared to proceed, the SAO Advancement Office will initiate and coordinate a process of determining the indirect cost rate with the prospective funder that will involve the appropriate SAO offices, i.e., SAO Financial Management and SPP Departments and the SAO Advancement Office. No proposals can go forward until this process is completed and an agreed-to rate established between SAO and the private funding entity.
4. Once an appropriate indirect cost rate has been determined, the proposal can be developed and submitted through PeopleSoft for processing. The SAO Advancement Office will review all final proposals to prospective private funders, in collaboration with SPP. In some cases, when it is important for the SAO Director's Office to manage relationships with private funders, the proposal will be prepared, reviewed, and approved by SPP, but will be submitted with a personalized cover letter from the SAO Advancement Office from the SAO Director.
5. If a gift or grant is awarded to SAO, the SAO Advancement Office will develop a plan for maintaining the award and will discuss that plan with the PI (and the project team as appropriate). All members of the funded project team will adhere to the policy stated above regarding post-award communications with external private funders.

6. This policy will remain in effect through the completion of SAO's capital campaign.

You may direct any questions you may have about this policy and its implementation guidelines to the Director.