**Opportunities for University-Business Research Collaboration**

Cal Poly welcomes the opportunity to join with private companies in partnerships that are mutually beneficial. In particular, we seek relationships that will enable our students and faculty to work on projects of interest to industry and encourage an exchange of knowledge and expertise between academia and private enterprise.

A number of options are available to private companies interested in establishing such partnerships. These range from simple "in-class" projects to more complex, long-term arrangements.

**In-Class Project**

A project carried out by students (usually in a team) as part of a class. Normally, these projects are funded through a gift to the University. Students and faculty are not paid for their work on the project. The contribution from the company is used to defray expenses related to the project (e.g. materials, travel expenses). There is no contractual arrangement between the University and the sponsoring company.

I**ndustry Supported Student Project (ISSP)**

Industry Supported Student Projects, or ISSPs, is a streamlined contracting process designed to allow businesses or individuals the ability to sponsor a student-based project. These projects are typically completed by a team of students as part of their capstone course and usually result in a report that is presented to the sponsor. If you have a project in mind or are interested in this type of sponsorship agreement, please contact cei@calpoly.edu and we’ll connect you with the appropriate department.

**Fee for Service**

A mechanism to facilitate contractual relationships in which standardized services (testing, analysis, etc.) are provided to multiple sponsors ("clients"). These fee-for-service arrangements allow approved services to be provided and billed to clients in a simplified and efficient manner. See Fee for Service Terms and Conditions.

**Letter Contract**

A streamlined contract used for simple projects whose costs are less than $15,000. A letter contract may be cost-reimbursable for fixed-price (see below). A letter contract is particularly suited for exploration of an idea for future research or demonstration of performance capability.

**Cost-Reimbursable Contract**

A contract used for more complex projects carried out by faculty (and/or students under faculty supervision) and described in a proposal for funding that has been reviewed and approved by the sponsoring company. The proposal identifies the activity, staff, duration, costs, and likely outcomes and is incorporated into the contract. The contract also clarifies issues such as payment schedules or milestones, governing law, intellectual property rights, publication rights, termination clauses, etc. Use Cost-Reimbursable Agreement template.

**Fixed-Price Contract**

A contract similar to a cost-reimbursable contract in most respects that allows a lump-sum payment for an agreed-upon deliverable. It is less commonly used because of the uncertainties inherent in academic research. Use Fixed Price Agreement template.

**Master Agreement**

A general agreement developed between the University and a sponsor when the relationship is expected to be long-term and encompass many projects (task agreements). This agreement lays out the general principles that will govern subsequent task agreements. Individual task agreements may then be less detailed and approved more rapidly. The general agreement may specify one or more of the funding mechanisms listed above. Use Master Services Agreement template.

**Facilities & Administrative (“F & A”) Rates**

Negotiated periodically with the U.S. Department of Health and Human Services, the rate is designed to recover expenses incurred by the University in the conduct of sponsored programs but which are not billed as direct costs to each project. Examples of such expenses are: space, utilities, fiscal services (e.g., accounting, payroll, purchasing), and administrative oversight. As of July 1, 2020, Cal Poly’s F&A rates are as follows:

**38.5% of Modified Total Direct Costs (MTDC),** which includes the project’s direct costs and the first $25,000 of each subrecipient’s costs, but excludes equipment, tuition remission, and rental of off-campus facilities.

**16.5% of MTDC for off-campus projects**. Off-campus is defined as projects which are either performed in another institution’s facilities or at a company’s facility or performed abroad. Working at home or at an off-campus Cal Poly location does not constitute an off-campus project.