I. UC Policy

*The Saxon Policy (1980)*

Classify awards as gifts when:
- Donor does not impose contractual requirements
- Funds are awarded irrevocably

Classify awards as grants/contracts when:
- Provision for audits by or on behalf of the grantor
- The grantor is entitled to receive some consideration such as a detailed technical report of research results or a report of expenditures
- Testing or evaluating of proprietary products is involved
- The research is directed to satisfying specific grantor requirements (e.g. terms and conditions stating a precise scope of work to be done rather than a general area of research)
- A specified period of performance is prescribed, or termination is at the discretion of the grantor
- Funds unexpended at the end of period shall be returned to the grantor
- Patent rights are requested by grantor

II. Criteria used by other institutions in determining whether support received from external sources should be categorized as a gift or a grant.

(Each school’s official policy and guidance is attached to this memo.)

A. Stanford University:

Criteria Utilized:

1) Funding Provider (government vs. individual)
2) Statement of Work (specific project plan or general research area?)
3) Detailed line item budget for work
4) Return of unexpected funds to donor
5) Detailed financial reporting required beyond a simple summary of expenditures
6) Terms and conditions for the disposition of tangible property
7) Terms and conditions for the disposition of intangible property (IP rights, rights in data, copyrights)
B. **Harvard University:**

Criteria Utilized:

1) Mission of and benefit to resource provider
2) Value Exchange
3) Scope of Work
4) Penalty for Non-Performance
5) Award Terms and conditions, such as publication and data review
6) Cost and budget information

C. **University of Notre Dame:**

Criteria Utilized:

1) Scope of Work
2) Revocability
3) Award Terms Concerning Publication, IP, Royalty Sharing, or Specific Restrictions on Use
4) Cost and Budget Information in Proposal
5) Detailed reporting
6) Period of time
7) Return of unexpended funds

D. **University of Washington:**

Criteria Utilized:

1) Issuing entity
2) Contribution to an endowment or capital project (gift)
3) Support work with human subjects, vertebrate animals, radioactive materials, recombinant DNA, human body substances, infectious, or third party proprietary material?
4) Requirements concerning specific deliverables or performance milestones
5) Can provider withhold funds or seek refund if project fails to meet performance requirements?
6) Financial or reporting requirements
7) Conditions regarding IP property, ownership rights, restrictions regarding the publication of research results
8) Does project require insurance, indemnification or warranty?
9) Does the support require testing or assessment of the sponsor’s products or services?
10) Are the funds to be used for patient care services that are research related?
E. **Tufts University:**

Four categories of distinction (see attached chart):

1) Description
2) Reporting
3) Time Period
4) Funding

F. **University of Illinois:**

Criteria Utilized:

1) Initiation of Activity
2) Terms, Conditions and Restrictions
3) Required University Performance in Exchange for Funds
4) Intellectual Property Rights
5) Facilities and Administrative Costs
6) Providers
7) Reporting/Stewardship

G. **University of Minnesota:**

Indicators Utilized:

1) Donor intends to take charitable deduction
2) Results of work have no commercial value to donor
3) Initiative for the project comes from the recipient
4) Acknowledgement of receipt is the only external reporting requirement
5) Specific scope of work is general
6) Individual or departmental research being funded is general
7) Sponsored research being funded is specific
8) Specific scope of program work plan is designed by sponsor, with specified time frame, detailed restrictions on expenditures, and limited budget flexibility
9) Technical progress reports or detailed financial reports required
10) Unused funds may be returned to sponsor
11) Document includes the following references: cost sharing, budget line item, intellectual property overhead negotiations, period of performance, publication rights
12) Scope of work plan includes the following references: human subjects, biohazards, radiological hazards, recombinant DNA
13) Tangible benefits will be received by the sponsors or customers
14) Access to results of work may be restricted
15) Sponsor wishes to own the results of data
16) Government agency or quasi-government agency funds activity
17) Product or service delivered without detailed reporting
18) University structures work plan for activity and determines all necessary expenditures
19) University bears risk of profit or loss on services rendered or properties sold

H. **University of Texas (El Paso):**

Criteria Utilized:

1) Statement of work
2) Detailed financial accountability
3) Disposition of properties ("deliverables")
4) Further, a gift has:
   a. No contractual requirements
   b. Is irrevocable
   c. Has no specified period of performance; and
   d. Entails no formal fiscal accountability to the donor.
GIFTS/GRANTS FOR RESEARCH

Original Issue/Approval Date: July 8, 1980
Last Revision: Original

POLICY AND GUIDELINES

In a review of the University's gifts/private grants for research, the State Auditor General concluded that in many cases, monies awarded to the University which should have been classified and processed as grants were classified and processed as gifts.

To clarify this situation and to ensure greater consistency among campuses, the following guidelines shall be observed:

In general, classify funds as gifts when the following characteristics exist:

- Donor does not impose contractual requirements.
- Funds are awarded irrevocably.

In general, classify funds as grants when the following characteristics exist:

- Provision for audits by or on behalf of the grantor.
- The grantor is entitled to receive some consideration such as a detailed technical report of research results or a report of expenditures.
- Testing or evaluating of proprietary products is involved.
- The research is directed to satisfying specific grantor requirements (e.g., terms and conditions stating a precise scope of work to be done rather than a general area of research).
- A specified period of performance is prescribed, or termination is at the discretion of the grantor.
- Funds unexpended at end of period shall be returned to the grantor.
- Patent rights [are] requested by grantor.

Since, in many situations, all of the above characteristics will not be present, judgment must be exercised in order to classify the gift/grant in accordance with the intent of this policy. The decision as to whether a particular award should be considered a gift cannot be made based upon the presence or absence of a single characteristic or criterion. Rather, one must look at the award in toto in order to make a judgment as to its proper classification.

Regardless of the designation of an award for research as a gift or grant, it will be subject to the research review process as well as to the administrative rules and procedures which apply to all University Funds. The processing of gifts will not include the application of indirect costs. Processing of grants will include the application of indirect costs in accordance with University policy.

The above guidelines are not intended to indicate whether processing of gifts/grants occurs in the Contract and Grants Office or the Development Office. Report governmental grants to Systemwide Administration for inclusion in the contracts and grants EDP system, and report all other gifts/grants to Systemwide Administration according to stated Gift and Development reporting needs. However, organization of the processing/acceptance/administration of gift/grant funds is a local matter.

BACKGROUND

This policy was set forth in President Saxon's letter to the Chancellors et al., of July 8, 1980.

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Research Policy Handbook

Definitions and Categories of Sponsored Projects (RPH 3.2)

Current version: June 10, 2009

Summary:
Defines sponsored projects, as distinguished from gifts and other supported activities, and illustrates the major categories of sponsored projects, i.e., organized research (including both sponsored research and University research), sponsored instruction, and other sponsored activities. Definition of Industry-Funded Clinical Trials clarified in October 2009.

This document defines sponsored projects, as distinguished from gifts and other supported activities, and illustrates the major categories of sponsored projects, i.e., Organized Research (including both sponsored research and University research), Sponsored Instruction, and Other Sponsored Activities. Also included here are descriptions of several specialized subcategories of sponsored projects.

Individuals who are involved in the processing of gifts, including cash, wire transfers or gifts of property, must complete appropriate training (see Gift Administration at Stanford, http://ora.stanford.edu/gifts ).

1. DEFINITIONS

Both sponsored projects and gift-funded activities are externally-supported, with funds provided typically in response to a request or proposal. The classification of funding as "gift" or "sponsored" will affect, among other things, the way Stanford University accounts for the funds, calculates and applies F&A (indirect) costs, and reports on the use of the funds to the sponsor or donor.

A. DEFINITION OF SPONSORED PROJECTS

Sponsored Projects are externally-funded activities in which a formal written agreement, i.e., a grant, contract, or cooperative agreement, is entered into by Stanford University and by the sponsor. A sponsored project may be thought of as a transaction in which there is a specified statement of work with a related, reciprocal transfer of something of value.

The following conditions characterize a sponsored project agreement, and help to distinguish such agreements from gifts:

1. STATEMENT OF WORK
Sponsored projects are typically awarded to Stanford in response to a detailed statement of work and commitment to a specified project plan. As described below, this statement of work is usually supported by both a project schedule and a line-item budget, both of which are essential to financial accountability. The statement of work and budget are usually described in a written proposal submitted by Stanford University to the sponsor for competitive review.

2. DETAILED FINANCIAL ACCOUNTABILITY
The sponsored project agreement includes detailed financial accountability, typically including such conditions as:

- a line-item budget related to the project plan. The terms of the agreement may specify allowable or unallowable costs, requirements for prior approvals for particular expenditures, etc.
- a specified period of performance, typically defined with "start" and "stop" dates
- a requirement to return any unexpended funds at the end of that period
- regular financial reporting and audit, including, for federal and state awards, accountability under the terms of OMB A-21, Principles for Determining Costs Applicable to Grants, Contracts, and Other Agreements With Educational Institutions and OMB A-110, Grants and Agreements With Institutions of Higher Education,

A sponsored project budget will include the University's full negotiated F&A (indirect) cost rate, unless a waiver of those costs has been approved.

These conditions generally define the level of financial accountability associated with a sponsored project. While not all of the above conditions are necessary to define a sponsored project, they are collectively indicative of the increased level of financial accountability associated with such projects.

3. DISPOSITION OF PROPERTIES ("Deliverables")

Sponsored project agreements also usually include terms and conditions for the disposition of tangible properties (e.g., equipment, records, specified technical reports, theses or dissertations) or intangible properties (e.g., rights in data, copyrights, inventions). The presence of such terms and conditions in the agreement indicate that the activity is a sponsored project.

B DEFINITION OF GIFTS

A gift, on the other hand, is defined as any item of value given to the University by a donor who expects nothing significant of value in return, other than recognition and disposition of the gift in accordance with the donor's wishes. In general, the following characteristics describe a gift:

1. No contractual requirements are imposed and there are no "deliverables" to the donor. However, the gift may be accompanied by an agreement that restricts the use of the funds to a particular purpose.

2. A gift is typically irrevocable. While the gift may be intended for use within a certain timeframe, there is no specified "period of performance" or "start"/"stop" dates as associated with sponsored projects.

3. There is no formal fiscal accountability to the donor beyond periodic progress reports and summary reports of expenditures. These reports may be thought of as requirements of good stewardship, and, as such, may be required by the terms of a gift. They are not characterized as contractual obligations or "deliverables."

Stanford agrees to use restricted gifts as the donor specifies, and does not accept gifts that it cannot use as the donor intends. If circumstances change such that a gift cannot be used as the donor specified, the donor must approve a change in the original restriction, or Stanford must receive court approval to waive the restriction (if the donor cannot be contacted). University approval for changes in the purpose of a gift fund can only be granted by the Provost.

Gift solicitations should be coordinated with the appropriate Development Officer in each school, and the Development Office should be contacted for procedures applicable to gift solicitations. (A template Conditions of Gift letter is available in Word format.)

C. GUIDANCE FOR PROPERLY DISTINGUISHING GIFTS FROM SPONSORED PROJECTS

1. DISTINCTIONS BASED ON SOURCE OF FUNDS

Any funding provided by U.S. Government agencies, at the federal, state, or local level, in support of Stanford activities is treated as sponsored project funding. Government funds are not treated as gifts.

Funding from Volunteer Health Organizations or Associations, such as the American Cancer Society or American Heart Association, is usually treated as a sponsored project and not a gift.

2. DISTINCTIONS BASED ON INTENT OF DONOR/SPONSOR

In remaining cases, e.g., where funding is being provided by corporations, foundations or others not specified above, the distinction between gifts and sponsored projects will be made based on the proposal, statement of work, and terms of the agreement, taking into consideration the intent of the donor/sponsor.

Note that, in some situations, communication, including the proposal and award as well as conversations, makes it clear that the donor's/ sponsor's intent is to classify an award to Stanford as either a gift or a sponsored project. In these cases, the terms of the accompanying agreement may have to be adjusted in consultation with the donor/sponsor in order to clearly document the intent and avoid unintended classification. See section D.1 below.

D. ADMINISTRATIVE ISSUES

1. DECISION-MAKING PROCESS IN UNCLEAR SITUATIONS
   In some cases, the distinction between gift and grant, i.e., between a gift and a sponsored project, can be difficult to draw. Donors may sometimes use the word "grant" when the donation qualifies as a "gift" or vice versa. When an individual is in doubt about the proper classification and handling of an award to Stanford, the Office of Sponsored Research and the Development Officer for the involved School will confer and resolve the question. This consultation will typically take place within the involved School, involving the School Dean's office as needed. In addition, staff from the Office of Sponsored Research and from Development should consult as needed with the Associate Vice President for Research Administration, Dean of Research, Foundation Relations and the Controller's Office.

   Attachment A to this policy, Checklist for Determining Whether Funding is a Gift or Support for a Sponsored Project, defines this process, offices to be consulted, and materials to be reviewed. As described in this checklist, when this determination is not initially clear, personnel should review appropriate documentation and consult with staff within their school representing both the research administration and development functions to determine the appropriate classification and handling of funds.

   In those cases where the determination is not initially clear, and where the final determination is to accept the funds as a gift, the completed Checklist is to be attached to the Gift Transmittal Form.

2. DONOR/SPONSOR RELATIONS
   In resolving issues related to the classification of an award, Stanford personnel must maintain an appropriate balance between the interests and preferences of the donor/sponsor and the University's administrative policies and objectives. In the process of resolving these issues, in some cases it may be necessary to contact the donor/sponsor for clarification of intent and requirements, and/or to discuss the planned use of the funds. Such contacts are usually best handled by the faculty member and/or development officer who initiated the activity.

3. ACCOUNT SET-UP
   Administrative Guide Memo 34.2, Activities/Accounts [pdf file], specifies the procedure and responsibilities for establishing both sponsored project and gift accounts. Whenever a new account is requested, the responsible organization (Office of Sponsored Research in the case of sponsored projects, or Fund Accounting in the case of gift funding) verifies that the account being set up is proper, in accordance with the definitions in this policy. These offices are responsible for assuring that a proper determination of gift or grant status has been made.

4. COST SHARING IMPLICATIONS
   Stanford policy and federal regulations define cost sharing as that portion of total project costs of a sponsored agreement borne by the University, rather than by the sponsor. (See Stanford's Cost Sharing Policy, Research Policy Handbook 3.5.)

   Committed cost sharing, i.e., that which a sponsor would otherwise pay, which Stanford offers in its proposal and is accepted by the sponsor, must be funded from a non-federal source and charged to a separate cost sharing account. Gift funds may be used to meet a cost sharing commitment on a sponsored project if the purpose of the gift so allows.

   Where a donor requires that their gift funds be leveraged with other resources, for example, matching gifts, there is no requirement to account for cost sharing. In these cases, the donor typically expects Stanford to use other gift funds to meet the requirement for matching or additional funding requirements.

5. FACILITIES & ADMINISTRATIVE (F&A), i.e., INDIRECT COST, IMPLICATIONS
   Stanford's policy is to apply the University's full applicable F&A (indirect) cost rate to all sponsored projects. Gift funds will be assessed an infrastructure charge set by Stanford University, in accordance with the Infrastructure Charge Policy (Administrative Guide Memo 37.3 [pdf file]). Where a sponsored project is not charged at least the infrastructure charge rate, the difference between the F&A cost rate and the infrastructure charge rate will be calculated on specified expenditures and must be funded by the project or by other departmental funds. (See Indirect Cost Waivers, Research Policy Handbook 3.10, for guidance relating to requesting waivers of F&A costs.)
2. GENERAL CATEGORIES OF SPONSORED PROJECTS
Sponsored projects at Stanford University are categorized under the following general headings:

A. Organized Research, including Sponsored Research and University Research
B. Sponsored Instruction
C. Other Sponsored Activities

Classification of a sponsored project into one of these categories affects the calculation of Stanford’s Facilities & Administrative (F&A), i.e., indirect cost, rates, and determines the appropriate rate to be charged. See Facilities & Administrative (Indirect Cost) and Fringe Benefit Rates, Definitions, and Calculations, Research Policy Handbook 3.3. Definitions and examples of these categories follow.

A. ORGANIZED RESEARCH
Research and scholarship activities include the rigorous inquiry, experiment or investigation to increase the scholarly understanding of the involved discipline. Organized research activities are funded by both external sponsors (Sponsored Research) and by Stanford University (University Research), and must be separately budgeted and accounted for. Together, these categories comprise the Organized Research distribution base, used to calculate the Organized Research F&A rate.

1. SPONSORED RESEARCH
Research activities are properly classified as Sponsored Research if the activity is sponsored (funded) by an external organization, i.e., a federal, state or private organization or agency. Examples of sponsored research include:

- awards to Stanford faculty to support research activities
- external Faculty "Career Awards" to support the research efforts of the faculty
- external funding to maintain facilities or equipment and/or operation of a center or facility which will be used for research
- external support for the writing of books, when the purpose of the writing is to publish research results.

2. UNIVERSITY RESEARCH
See also Research Policy Handbook document 3.4, Classification of Sponsored, University and Departmental Research, for discussion of the impact of 1993 changes to OMB Circular A-21 regarding the definition of University Research.

Research activity is properly classified as University Research if the activity is supported by either of the following:

a. Funding that is derived from Stanford institutional funds (e.g. gifts, endowment income, interest income, technology licensing income, operating budget) through a competitive application and award process, and where the proposed activity is characterized by the same factors which generally distinguish sponsored projects (see 1 A), or
b. Cost sharing expenditures which are committed to be borne by Stanford rather than by the sponsor.

Research supported by an award from the Office of Technology Licensing Research Incentive Fund is an example of University Research. Further detail on the distinctions between Sponsored Research or University Research can be found in the policy on Classification of Sponsored, University and Departmental Research, Research Policy Handbook 3.4.

3. ACCOUNTING FOR ORGANIZED RESEARCH
Sponsored activities that qualify as either Sponsored Research or University Research shall be assigned to the Sponsored Research or University Research Task Service Types in the University’s accounting system. All University Research shall be separately budgeted and accounted for. Space used in the conduct of Sponsored Research or University Research shall be coded to Organized Research (R) in the University’s Space Inventory System.

All other research activity that is not defined as either Sponsored Research or University Research shall be considered Departmental Research.

Expenditures for Departmental Research shall be assigned to Instruction and Department Research Task Service Type in the accounting system. Space used in the conduct of Departmental Research should be coded to Department Research (L) in the University’s
B. SPONSORED INSTRUCTION

Sponsored Instruction is defined as teaching and training activities at Stanford funded by grants and contracts from federal or non-federal sponsors. Sponsored Instruction includes agreements which support curriculum development as well as all types of teaching/training activities, whether offered for credit toward a degree or certificate, on a non-credit basis, or through regular academic departments or by separate divisions, summer school or external division.

Sponsored Instruction includes:

- any project for which the purpose is to instruct any student at any location; recipients of this instruction may be Stanford students or staff, teachers or students in elementary or secondary schools, or the general public
- curriculum development projects at any level, including projects which involve evaluation of curriculum or teaching methods, such evaluation may be considered "research" only when the preponderance of activity is data collection, evaluation and reporting
- projects which involve Stanford students in community service activities for which they are receiving academic credit
- activities funded by awards to departments or schools for the support of students
- dissertation work funded by grants, including grants for travel in relation to a dissertation
- Upward Bound Program, bringing local students on campus for classes
- general support for the writing of textbooks or reference books, video or software to be used as instructional materials.

ACCOUNTING FOR SPONSORED INSTRUCTION

Activities that qualify as Sponsored Instruction shall be assigned to the Sponsored Instruction Task Service Type in the University’s accounting system. Space used in the conduct of Sponsored Instruction should be coded to Instruction (I) in the University’s Space Inventory system.

NOTE: Research training grants are accounted for as Sponsored Research, not as Sponsored Instruction.

C. OTHER SPONSORED ACTIVITIES (OSA)

Other Sponsored Activities (OSA) are defined as academic projects funded by sponsors in which project activities involve the performance of work other than Sponsored Instruction or Sponsored Research. Since most projects in this category do not directly involve students and gain little, if any benefit from libraries, the F&A (indirect cost) rate applicable to Other Sponsored Activities is less than the rate for Organized Research or Sponsored Instruction.

OSA may include:

- Travel grants
- Support for conferences or seminars
- Support for University public events such as "Lively Arts"
- Publications by Stanford University Press
- Support for Stanford Youth Opportunity Program
- Support for student participation in community service projects which do not result in academic credit
- Support for projects pertaining to library collections, acquisitions, bibliographies or cataloging
- Programs to enhance institutional resources, including Data Center expansion, computer enhancements, etc.

ACCOUNTING FOR OTHER SPONSORED ACTIVITIES

Activities that qualify as Other Sponsored Activities shall be assigned to the Other Sponsored Activities Task Service Type in the University’s accounting system. These activities are not to be assigned to the Sponsored Research, University Research, Student Aid, of any other Task Service Type. Space used in the conduct of OSA should be coded to Instruction (I) in the University’s Space Inventory system.
3. OTHER TYPES OF SPONSORED PROJECTS

In addition to sponsored projects as defined above, the following specialized categories of agreements are defined and handled as sponsored projects.

A. INDUSTRY-FUNDED CLINICAL TRIALS

Clinical trials are a subset of clinical research and must include all four of the following factors in order to qualify for the clinical trial indirect cost rate:

1. The objective of the study is either:
   a. testing of a drug, device, diagnostic, treatment, intervention, or preventive measure including testing for an unapproved indication or
   b. data collection, or review of data generated or acquired in a clinical setting, to increase knowledge that would lead to enhanced safety and efficacy of a drug or device.

2. The study must involve contact with human subjects or the review of patient care clinical data.

3. The study must be performed primarily in patient care or clinical space to qualify as an off-campus project as outlined in the Research Policy Handbook 3.3.

4. The study must be industry funded.

For information regarding rates for Industry-Funded Clinical Trials, the investigator should contact the School of Medicine Research Management Group or the Office of Sponsored Research.

B. RESEARCH PARTICIPATION AGREEMENTS

A Research Participation Agreement (RPA) is a form of sponsored project in which services of Stanford personnel, academic facilities, and/or laboratory equipment are employed on behalf of parties not otherwise affiliated with the University. A Research Participation Agreement is different from other forms of sponsored research projects in that a significant portion of the responsibility for the intellectual direction, interpretation, and/or outcome of the work rests with the outside user.

Criteria for the establishment of Research Participation Agreements and process for their approval is outlined in Research Participation Agreements, Research Policy Handbook 10.6.

C. BETA TEST SITE AGREEMENTS

Beta Test Site Agreements are contracts by which commercial vendors test and evaluate early product development. The proposed agreements come from companies that have agreed to provide various products and/or software to academic departments in exchange for evaluation. Beta Test Site Agreements must be processed as sponsored research projects through the Office of Sponsored Research.

D. EQUIPMENT LOAN AGREEMENTS

Equipment Loans are agreements whereby a sponsor may loan certain equipment to Stanford, such as hardware, software and/or documentation for research use. One such example is an agreement whereby Stanford and a private entity participate in a joint research program using the company’s equipment and share the results, including data. This type of agreement usually does not involve money, but enables Stanford and industry researchers the opportunity to use each other’s facilities.

E. MATERIAL TRANSFER AGREEMENTS

Material Transfer Agreements (MTAs) are contracts by which tangible research property, such as biological organisms, is provided by external sources to Stanford investigators for research, or by Stanford investigators to external researchers. Material Transfer Agreements are processed as sponsored research projects along with the fully endorsed MTA Routing Form through the Industrial Contracts Office within the Office of Technology Licensing.

F. INDUSTRIAL COLLABORATION AGREEMENTS

Companies and universities are increasingly requiring documentation of inter-institutional research partnerships. Formal agreements in these cases will help to avoid misunderstandings and disputes over ownership of results. Collaboration contracts should be sent with a fully endorsed Proposal Routing Sheet to the Industrial Contracts Office within the Office of Technology Licensing. Stanford has its own standard collaboration agreement that may be used as well.

G. INTERGOVERNMENTAL PERSONNEL ACT (IPA) AGREEMENTS

An IPA is a contract whereby Stanford employees may serve or cross train in federal agencies for limited periods of time. Some or all of their salary and staff benefits are paid by the federal agency under Title IV of the Intergovernmental Personnel Act, while they are still considered Stanford
employees, and provision has been made for their return to Stanford.

IPA proposals should be submitted along with a completed Proposal Routing Sheet to each school dean's office. The dean will review the appropriateness of the arrangement, and the need for certification by Stanford that the participating employee will be returned to the same or similar position upon completion of the assignment. The dean's office will notify the Stanford employee of its decision and forward the proposal to the Office of Sponsored Research for review and submission to the appropriate government agency.
Attachment A – Checklist for Determining Whether Funding is a Gift or Support for a Sponsored Project

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<thead>
<tr>
<th>PI/Recipient</th>
<th>Dept</th>
<th>Date</th>
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<table>
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<tr>
<th>Sponsor/Donor</th>
<th>Project Title</th>
<th>Amount</th>
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Instructions for Completing the Checklist:

Individuals involved in administering gifts of cash in the form of checks and wire transfers as well as property must receive appropriate training.

See [http://ora.stanford.edu/gifts/](http://ora.stanford.edu/gifts/)

Answer all eight questions in the checklist below, and include comments whenever necessary. To use this form, review all the documentation associated with the funding for indications that will help you to determine whether the funding should be considered support for a sponsored project or a gift. Documentation may include some or all the items listed below.

1. Statement of Work or Project Description
2. Proposal or Letter of Intent, or request for funding including budget
3. Award Letter
4. All correspondence

Checklist:

<table>
<thead>
<tr>
<th>FUNDING SOURCE:</th>
<th>YES</th>
<th>NO</th>
<th>UNCERTAIN</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Is the funding provided by the U.S. Government, at the federal, state or local level?</td>
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<tr>
<td>Comments:</td>
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<tr>
<td>2 Is the funding provided by an individual (not an organization)?</td>
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<tr>
<td>Comments:</td>
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<tr>
<td>3 If NEITHER OF THE ABOVE ARE TRUE, DOES THE DONOR/SPONSOR REQUIRE:</td>
<td>YES</td>
<td>NO</td>
<td>UNCERTAIN</td>
</tr>
<tr>
<td>Statement of Work (a commitment to a specific project plan, as opposed to a general field of study or research area; the commitment describes a specific line of scholarly inquiry such as testing of a hypothesis, experiments, a model project or a defined set of deliverables)?</td>
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<tr>
<td>Comments:</td>
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<tr>
<td>Detailed item budget for work (i.e., commitment of percentage of effort)?</td>
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<td>Comments:</td>
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<td>Return of any unexpended funds at the end of a designated period (i.e., &quot;Start&quot; and &quot;Stop&quot; dates)?</td>
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<tr>
<td>Comments:</td>
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<td>Detailed financial reporting beyond a summary report of expenditures (e.g., line item detail, percentages of effort)?</td>
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<td>Comments:</td>
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<td>Terms and conditions for the disposition of tangible property (e.g., equipment, records, technical reports, theses, dissertations or other deliverables)?</td>
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<td>Comments:</td>
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<tr>
<td>Terms and conditions for the disposition of intangible property (e.g., intellectual property, rights in data, copyrights)?</td>
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<tr>
<td>Comments:</td>
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Check one box below, and process accordingly.

- **Sponsored Project**: If you answer "Yes" to Question 1, or to any of questions 3 – 8, the funding should be considered support for a sponsored project. Keep the completed checklist in your departmental project file and process the funding as a sponsored project (complete an SU-42 Proposal Routing Form).

- **Gift**: If you answer "No" to Question 2, or "No" to all questions 3 – 8, the funding should be considered a gift. Keep the completed checklist in your departmental project file and process the funding as a gift (complete a Gift Transmittal Form).

- **Uncertain**: If you cannot answer any one question with certainty, review with your school dean's office and then with: Research Management Group (RMG) if you are in the School of Medicine; Engineering Research Administration (ERA) if you are in the School of Engineering, or the Office of Sponsored Research (OSR) if you are in any other unit. If the funding is determined to be a gift, attach a signed copy of this checklist indicating the final determination to the Gift Transmittal form, along with a Conditions of Gift letter (template is available at [http://ora.stanford.edu/docs/gift.doc](http://ora.stanford.edu/docs/gift.doc)).

Initial Department Determination Made by: __________________________ Date: __________

If consultation is needed, School Dean's office (local process): __________________________ Date: __________

Sponsored Research (RMG, ERA or OSR): __________________________ Date: __________

Final Determination: Gift ☐ Sponsored Project ☐
Notification of Significant External Sale of Capital Equipment
Indicates when sale of item exceeds $10K; form is sent to the Office of Fixed Asset Accounting.

Signature Authorization Form
Gives department staff signature authority so that the PI or Department Head does not have to sign all forms. Signature Authority Forms are kept in the department and/or schools' Equipment Management Offices, depending on local practice.

Gift vs. Sponsored Research Policy

Framework for Thinking About Gifts vs. Grants

Is it a Grant or a Gift?

The distinction between grants, gifts and awards can be subtle. Questions regarding whether an award is a grant, gift or award should be directed to your assigned representative within the sponsored programs office for your school:

Office for Sponsored Programs, University Area
School of Public Health, Office of Financial Services
Sponsored Programs Administration, HMS / HSDM

In making the determination regarding whether a new fund is a grant, gift or award, your sponsored programs representative will consider the following important factors. It's important to note that a new fund may have characteristics that fall within both categories; thus, all factors must be weighed in order to make a final determination.

1. Mission Of and Benefit To Funder
   - RG/NG Gift/Grant: Funds are in support of items that are directly related to the recipient's mission, while only indirectly related to the funder's business.
   - NE/Award: Funds are in support of items that are directly related to the funder's business activities, and may or may not be directly related to the recipient's mission.

2. Value Exchange
   - RG/NG Gift/Grant: Funder receives little or no value in exchange for the funding provided.
   - NE/Award: Items provided are of particular value to the funder, and the funder is entitled to receive value (i.e., funder may request IP, publication rights, data, etc.)

3. Scope of Work
   - RG/NG Gift/Grant: Funder expresses the goal of an activity rather than the "how tos".
   - NE/Award: Funder determines the "how tos", such as a protocol for testing or specific method of program delivery.

4. Penalty for Non Performance
   - RG/NG Gift/Grant: The only penalty for failing to deliver items on a timely basis are returning unspent funds; there is no penalty for failing to use all the funds.
   - NE/Award: Penalties (e.g., punitive damages) may exist for failing to deliver items on a timely basis. Funder may include audit and compliance terms.

5. Publication and Data Review
   - RG/NG Gift/Grant: Funder places little or no restriction on review of items before they are made available.
   - NE/Award: Funder may place restrictions on how the items are reviewed before being made available to a wider audience.

6. Cost Determination
   - RG/NG Gift/Grant: Proceeds are a subsidy to the cost of providing an item (i.e., the

http://vpf-web.harvard.edu/osp/quick_links/policies/
activity is something Harvard would be doing anyway, whether or not the funding in question is provided.
NE/Award: Proceeds are the cost of providing the item plus overhead/indirect cost.

Non-Federal Awards (NE) vs. Non-Federal Sponsored Grants (NG) vs. Restricted Gifts (RG)
Once the determination has been made that the terms prompt University oversight beyond the Office of the Recording Secretary (RSO), OSP will then determine whether the award should be processed as a Non-Federal Sponsored Grant (NG) or a Non-Federal Award (NE). This determination is necessary to ensure that awards, which may qualify as "gifts" eligible for the charitable deduction for Federal income tax purposes, are also processed by the RSO. A further breakdown of the difference between NE, NG and RG funds can be found below.

1. Non-Federal Awards (NE). This category includes all funding arrangements in which the University is providing a return benefit to the grantor in exchange for the payment, regardless of whether the funding instrument is designated a contract, cooperative agreement, grant, consortium agreement, or otherwise. This category also includes all funding by foreign entities or international organizations managed by the Office for Sponsored Programs (OSP), whether pursuant to a contract or sponsored "grant." This category includes all subcontracts and subgrants from non-federal sources. Non-federal Awards are processed only by OSP.

2. Non-Federal Sponsored Grants (NG). This category includes all other funding arrangements not deemed to be contracts, and not derived from foreign or international entities. Generally, awards from Section 501(c)(3) nonprofit organizations will be included within this category as they routinely represent grants and not contractual payments. This category also includes all grants from industry, which require gift certification. Non-federal Sponsored Grants are processed by both OSP and RSO.

3. Restricted Gifts (RG). This category includes funding arrangements where the award is not predicated on detailed terms and conditions, nor are there any terms which specify how the funding must be spent or administered (i.e., funding received may be utilized at the full discretion of the recipient.) If any financial reporting is included, it is limited and for stewardship purposes only. Unexpended funds are not returned to the donor at the expiration of the gift period. Restricted Gifts are processed only by RSO.

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Interest Charges on Deficit Sponsored Fund Balances

Presented to SPOC: 12/18/2003

For questions about the policy, please contact Judy McSweeney
Last updated: 09/2009

Background
Deficit sponsored fund balances result in significant costs to Harvard University's "Central Bank." In FY02 and FY03 deficit sponsored fund balances resulted in approximately $2.42M in costs to the Central Bank. While the Central Bank does earn interest on non-federal fund credit balances, net earnings to the bank on such balances during the same time period were $.46M, leaving a net cost to the bank of approximately $1.96M.

There are three primary factors contributing to deficit sponsored fund balances, each of which results in costs to the Central Bank:

- Overspent Accounts: expenses exceed either the obligation or the income credited to the fund.
- Advance Accounts: expenses charged to the account that cannot be reimbursed until the award is finalized

http://vpf-web.harvard.edu/osp/quick_links/policies/
Is it a Gift or a Grant?

The factors below are important considerations in determining whether a new fund is a gift or a grant. A new fund may have characteristics that fall within both categories; thus, all factors must be weighed in order to make a final determination.

**Notes**
- No single indicator is, by itself, a characterization of an award vs. a grant. All factors must be weighed to make a final decision.
- Grants are reciprocal in nature—each party is giving and receiving something of relatively equal value in the transaction.
- A gift or contribution is an item given by a donor who expects nothing significant of value in return, other than recognition and disposition of the gift in accordance with the donor’s wishes.
- Often, foundations will require financial reports or narratives from the recipient in order to demonstrate that they, as a sponsor, are meeting the criteria required of a charitable organization. These financial reports by themselves do not constitute conditions of a “grant.”
- Stewardship alone in financial reporting does not constitute a condition of a “grant.”
- U.S. Government (state or federal) money should always be treated as a grant.

<table>
<thead>
<tr>
<th>CATEGORY of INDICATOR</th>
<th>FACTOR INDICATIVE of a “GIFT”</th>
<th>FACTOR INDICATIVE of a “GRANT”</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mission of and benefit to resource provider (i.e. donor of a gift or sponsor of a grant)</td>
<td>Items are directly related to the recipient’s mission, while only indirectly related to the donor’s business. This is typical of family foundations. Example: Resource provider asserts that it is making a donation to support a program.</td>
<td>Items are directly related to the resource provider’s business activities; may or may not be directly related to the recipient’s mission. (i.e. organizations with a specific mission such as Intel Corporation.) Example: Sponsor asserts that it is transferring resources in exchange for a benefit.</td>
</tr>
<tr>
<td>Value Exchange</td>
<td>The donor receives no or nominal value in exchange for the funding provided. No deliverables (reports or rights) are provided to the donor in exchange for the funding.</td>
<td>The items are of particular value to the sponsor. The resource provider is entitled to receive value, which may include reports, intellectual property rights, publication rights, data, etc.</td>
</tr>
<tr>
<td>Scope of Work</td>
<td>The donor expresses the goal of an activity rather than the “how to’s.” There is typically no time period associated with the use of the gift.</td>
<td>The sponsor determines the “how to’s,” such as the protocol of testing (in the case of research) or the method of delivery. Example: American Cancer Society evaluating research results; sponsor detailing how funds should be spent according to budget line items.</td>
</tr>
<tr>
<td>Penalty for Non-Performance</td>
<td>The only penalties for failing to deliver the items on a timely basis are returning unspent funds. No penalties are incurred for failing to use all the funds, or to deliver the items promised.</td>
<td>There may be penalties for failing to deliver the items on a timely basis that may contain punitive damages. Sponsor may include audit &amp; compliance terms.</td>
</tr>
<tr>
<td>Award terms and conditions, such as Publication and Data Review</td>
<td>The donor may request information related to the use of funds but places little or no restriction on review of items before they are made available. Example: No preliminary review by the resource provider is requested before publications are issued.</td>
<td>The donor may place restrictions on how the items are reviewed before being made available to a wider audience. Example: The resource provider asks to review publications and/or data in order to ensure that its confidential information is not disclosed.</td>
</tr>
<tr>
<td>Cost and Budget Information</td>
<td>There is no requirement for a line item budget or any restriction on the use of the gift other than it must be consistent with the stipulation of the donor. Gift funds do not have to be returned to the sponsor.</td>
<td>A grant is proceeded by a request for funding for a specific purpose and the request typically includes a detailed, line-item budget describing how the funds will be used, including the appropriate overhead: indirect cost. Unspent funds must be returned to the sponsor.</td>
</tr>
</tbody>
</table>

Further classification of the gift as “Sponsored Gift” or “Non-Sponsored Gift”

**Non-Sponsored Gift (RSO-owned)**
- Award not predicated on detailed terms and conditions
- If any financial reporting included, it is limited and for stewardship purposes only
- No terms that specify how the funding must be administered (i.e. funding received can be utilized at full discretion of recipient)
- Unexpended funds are not returned to the donor at the expiration of the gift period

**Sponsored Gifts (OSP-owned)**
- Includes all other funding arrangements not deemed to be contracts, and not derived from foreign or international entities.
- Generally, awards from Section 501(c)(3) nonprofit organizations will be included within this category
- Also includes all awards from industry that require gift certification.
- Typically require detailed financial reporting, often against the proposed line-item budget.
POLICY STATEMENT

Both grants and gifts received by the University are voluntary support from external sources, and their characteristics often make them very difficult to distinguish from one another. In addition, sponsoring entities, private foundations or donors may use the terms interchangeably in both conversation and in the donative instruments, contributing to the complexity. Proper classification of gifts and grants in the accounting records is crucial to ensure the University’s external financial statements are presented accurately. This policy is established to help differentiate grants from gifts and to create consistency in the treatment of these funds.

Various financial governing bodies have attempted to bring clarification to this issue. Financial Accounting Standards Board (“FASB”) Statement of Financial Accounting Standards No. 116—Accounting for Contributions Received and Contributions Made aids in the differentiation of grants (exchange transactions) from gifts. Exchange transactions are defined as “reciprocal transfers in which each party receives and sacrifices approximately equal value.” (Appendix B, Paragraph 48). The Financial Accounting and Reporting Manual for Higher Education (“FARM”), published by the National Association of College and University Business Officers (“NACUBO”), refers to certain indicators when distinguishing between a contribution and exchange transaction. Two of these indicators are: intent of the institution and intent of the resource provider. (FARM ¶403.3).

If the basic concept of gift or grant in the previous paragraph has been reviewed and questions still persist as to proper classification the following should be considered to determine if funds received from external sources should be treated as a grant or a gift. No single indicator is, by itself, determinative. The intentions of the grantor/donor must be taken into consideration. A donor’s stated intention should be the primary criteria used in the decision making process as to its proper classification.

1. Grant – an externally funded activity where there is an agreement representing the transfer of money or property from a sponsor in exchange for specific goods or services, often including rights to and products derived from the services and other obligations such as, formal financial and/or technical reporting. The agreement is legally binding on both parties and performance must be completed within the stated terms with support being revocable for cause. All grants are processed through the Office of Research.

Other characteristics of a grant include but are not limited to:

a. Use of funds is restricted by the sponsor, prior sponsor approval required for budget revisions and disallowance of specific types of expenditures.

b. Sponsor retains the right to revoke award based on stated circumstances.

c. Sponsor defines how unused funds are to be handled.
d. Money or property is provided to achieve a specified scope of work or provide a specific product, service or other expected result within a specified period of time.

e. Money or property is awarded for a grant proposal submitted by the University in response to a request for proposal, published guidelines or through a competitive application process.

f. Sponsor is a governmental agency or is awarding governmental flow-through funds.

g. The award is a contract, cooperative agreement, consortium agreement, grant, sub-grant or sub-contract.

h. The sponsor requires external audits, detail financial reports, invoices and/or technical status reports as a condition of the award.

i. The sponsor stipulates a variety of other terms and conditions, such as publication restrictions, rights to tangible and intangible assets, compliance with federal and state regulations, allowable and unallowable costs, subcontracting, insurance, indemnification and hold harmless clauses, protection of proprietary or confidential information, modifications, penalties, remedies, termination etc.

2. Gift – a voluntary and irrevocable transfer of money, services or property from an external donor for either unrestricted or restricted use of in promoting the University’s goals. No commitment of resources or services is required other than the stated donor restrictions. All gifts are processed through the University Development office. Other characteristics include but are not limited to:

a. Donor refers to award as a gift, donation, or contribution and intends the award to be a charitable gift as reflected by the absence of any quid pro quo.

b. Donor makes the award to the University without expectation of direct economic or other tangible benefit commensurate with the value of the award. Indirect benefits such as tax advantages, business or personal goodwill or benefits derived from donor club status are of an immaterial nature and not sufficient to negate the gift intent.

c. Award is given with few terms beyond specifying general intent. Any conditions or stipulations placed on the use of the award are reasonable and serve only to direct the award to support the desired area of interest to the donor.

d. Award is irrevocable with the donor relinquishing rights to reclaim any portion of the award.

e. Award is from a non-governmental source and is given for such activities as endowments, capital projects, general student financial assistance or other general operations of the University.

A

No technical or progress reports are required. These reports should not be confused with general stewardship reports which should occur on a regular basis or upon request from a donor on an ad-hock basis.
The attached chart may guide you in determining whether an award is a gift or a grant. However, if you need further assistance please contact Research and Sponsored Programs Accounting. Final determination regarding the classification of an award will be made through consultation between the Controller’s Financial Reporting and Analysis group and the Office of Research.

### GRANT OR GIFT?

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Gift</th>
<th>Grant/Contract</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Scope of Work Is Defined (i.e., result of proposal, directed to specific PI or purpose)</strong></td>
<td>Acceptable</td>
<td>Standard</td>
</tr>
<tr>
<td><strong>Revocability</strong></td>
<td>No</td>
<td>Standard</td>
</tr>
<tr>
<td><strong>Award Terms Concerning Publication, IP, Royalty Sharing, or Specific Restrictions On Use</strong></td>
<td>No</td>
<td>Standard</td>
</tr>
<tr>
<td><strong>Cost and Budget Information in Proposal</strong></td>
<td>Acceptable</td>
<td>Standard</td>
</tr>
<tr>
<td><strong>Detailed Reporting</strong></td>
<td>Acceptable</td>
<td>Standard</td>
</tr>
<tr>
<td><strong>Period Of Time</strong></td>
<td>Allowed</td>
<td>Standard</td>
</tr>
<tr>
<td><strong>Return of Unexpended Funds</strong></td>
<td>No</td>
<td>Standard</td>
</tr>
</tbody>
</table>
GUIDELINES FOR CLASSIFICATION OF SPONSORED PROJECTS AND GIFTS

UNIVERSITY OF WASHINGTON

Office of Research
Office of Sponsored Programs

GRANTS INFORMATION MEMORANDUM 34

January 2005

SUBJECT: Guidelines for Classification of Gifts and Sponsored Projects

SUPERSEDES: GIM 34, (Revised February 1993)

RELATED INFORMATION: GIM 1 and Operations Manual, D 36.0, Gift Processing Guidelines

These guidelines are intended to describe standards to be used to classify external support and identify appropriate administrative procedures for accepting and processing such support. For purposes of these guidelines, “External support” is anything of economic value provided by a third party (either the “sponsor” in the case of sponsored projects or the “donor” in the case of gifts) for use in a project conducted by or at the University. Correct classification of external support and use of appropriate procedures is intended to assure the University’s ability to: (i) comply with requirements specified by the sponsor or donor; (ii) satisfy State of Washington reporting requirements; (iii) properly recover its costs, both direct and indirect; (iv) monitor the nature and extent of research activity; and (v) assure compliance with applicable laws, regulations and University policies. The following guidelines are to be used in determining the classification of external support by all UW colleges, schools, departments, and other administrative units:

I. General Guideline

All sponsored projects shall be processed through the Office of Sponsored Programs, and all gifts shall be processed through Gift Processing within the Office of Development and Alumni Relations.

II. Sponsored Projects

For purposes of these guidelines, a “sponsored project” is any project receiving external support (including research, scholarly work, training, workshops, and services) that has defined performance requirements.

The following criteria shall be used for classifying sponsored projects:

A. Governmental External Support. A project receiving either direct or indirect external support from any federal, state, local, foreign, or other governmental entity shall be considered a sponsored project at the time the support is committed or paid.
B. Non-Governmental External Support. A project receiving external support from a non-governmental entity shall be considered a sponsored project if the project is subject to any of the following conditions at the time the support is committed or paid:

1. The specific project involves any of the following: human subjects, vertebrate animals, radioactive materials, recombinant DNA, human body substances, infectious agents, or third-party proprietary materials.
2. The external support is subject to any of the following conditions:
   a. Delivery of specific goods, services, or other deliverables by the University
   b. Performance milestones
   c. Transfer of intellectual property, ownership, or related rights
   d. Insurance, indemnification, or warranty
   e. Restrictions on publication of research results
   f. Audit requirements
3. The provider of the external support may withhold or seek a refund of the support if the project fails to meet performance requirements or project objectives, including certain research outcomes.
4. External support is provided for research-related patient care services or the routine cost of care delivered as part of research studies.
5. External support is provided by a sponsor for the testing or assessment of the sponsor’s products or services.

III. Gifts

For purposes of these guidelines, a gift is the voluntary provision of external support by a donor to the University, without any requirement for receipt of any economic or other tangible benefit in return.

Gifts shall normally meet the following criteria:

A. The external support does not meet the criteria for a sponsored project as described in Section II of these Guidelines.
B. The external support is irrevocable, providing the gift is used in accordance with any valid restrictions accepted by the University.
C. No goods, services or deliverables are offered or exchanged in consideration of receipt of the external support.
D. The donor provides the support to the University without expectation of direct economic benefit or other tangible benefit. Indirect benefits such as tax advantages or business or personal goodwill derived from close association with the University and the miscellaneous benefits derived from donor status do not negate gift intent.
E. Financial reporting or accounting for use of external support is not required, although it shall be acceptable for the donor to request information from the University about utilization and/or impact of the external support, including expenditures and fund balances.

Contributions to endowments and nongovernmental contributions for capital projects would normally be classified as gifts.

The standards described in these guidelines are applicable to all external support provided to the University. Final determination of all questions arising under these guidelines relating to the classification and processing of external support shall be made by the Vice Provost for Research.

Frequently Asked Questions (Sponsored Programs and Gifts)

Carol Zuercher
Assistant Vice Provost for Research
Executive Director, Office of Sponsored Programs
GIFT OR GRANT?

Are any of the funds (direct or indirect) from a government entity (federal, state, local, foreign or tribal)?

Are the funds a contribution to an endowment or capital project?

Do the funds support work with any of the following: human subjects, vertebrate animals, radioactive materials, recombinant DNA, human body substances, infectious agents, or third-party proprietary materials?

Are there requirements concerning specific deliverables or performance milestones?

Can the provider withhold the funds or seek a refund of them if the project fails to meet performance requirements or project objectives?

Are there financial reporting or accounting requirements?

Are there conditions regarding the transfer of intellectual property, ownership rights, or any restrictions regarding the publication of research results?

Will the project require insurance, indemnification or warranty?

Is the support provided for the testing or assessment of the sponsor's products or services?

Are the funds to be used for patient care services that are research related?

Funds support a Sponsored Project.

Funds are a GIFT.

Policy: www.washington.edu/research/osp/gim/gim34.html
**What Constitutes a Grant vs. a Gift**

There are very clear factors that differentiate a Grant and a Gift. It is important to be able to recognize the difference so that the grant/gift is set-up appropriately. Grants are set-up by Sponsored Programs Accounting and are assigned grant account numbers. Gifts are set-up by the Budget Office and are assigned Department ID accounts.

Below is a list of ways one can differentiate a gift that should be set up as a Dept ID and an award which should be set up as a project/grant.

Please note that in some cases it may not be readily apparent if the award is a grant or gift. In these cases Sponsored Programs Accounting will review the documentation and decide which classification is most appropriate.

### Grant Vs. Gift

<table>
<thead>
<tr>
<th>Grant</th>
<th>Gift / Department ID</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Description</strong></td>
<td>Represents an &quot;exchange transaction&quot; in which each party receives commensurate value.</td>
</tr>
<tr>
<td></td>
<td>Represents a &quot;contribution,&quot; an unconditional transfer of cash which is voluntary and non-reciprocal.</td>
</tr>
<tr>
<td><strong>Reporting</strong></td>
<td>Usually has reporting requirements or specific restrictions on how the money can be spent.</td>
</tr>
<tr>
<td></td>
<td>No reporting, No restrictions</td>
</tr>
<tr>
<td><strong>Time Period</strong></td>
<td>Usually has a specified time period over which the work will be done (a start date and an end date).</td>
</tr>
<tr>
<td></td>
<td>No specific time period</td>
</tr>
<tr>
<td><strong>Funding</strong></td>
<td>Sometimes requests that unused funds must be returned to the awarding agency/foundation/corporation.</td>
</tr>
<tr>
<td></td>
<td>Usually all the money is received upfront. Tufts is given unconditional rights to the funds and funds do not need to be returned to the sponsor.</td>
</tr>
</tbody>
</table>

### Getting Started

- [Creating Grants in PeopleSoft](#)
- [Budgeting/Rebudgeting](#)
- [Grant Vs. Gift](#)
- [Pre-Award Resources link to Vice Provost Office](#)
SECTION 11 - Gifts and Endowments

SECTION 11.2 - Distinctions Among Gifts, Grants and Contracts

Date: November 2009
Approved: Senior Associate Vice President for Business and Finance

Policy Statement

University funds used to carry out the primary missions of teaching, research, instruction, and public service include financial support from outside entities. Such outside financial support must be clearly identified as gifts, or as funding for sponsored project activities, in order to ensure appropriate management of the funds and compliance with any terms and conditions. Proper funds administration is dependent on recognizing the distinctions among gifts, grants, and contracts.

General Definitions

Gifts

A gift is a voluntary contribution made to the University, for which the contributor receives no bargained-for benefit, and requires nothing in exchange beyond an assurance that the intent of the contribution will be honored. Some corporations and foundations refer to unrestricted gifts as “grants”; however, the University considers a contribution for which minimal donor restrictions specify how the funding must be spent or administered, to be a gift.

Even if the donor outlines, in a letter or agreement with the University, general restrictions on how the funding is to be used, the contribution is considered a gift so long as the donor receives no consideration. Campus units are encouraged to provide stewardship reports to donors, indicating how gift funds are spent, and may also supply, upon donor request, reports that summarize how the funds were used. Donor gifts with restrictions are used at the full discretion of the recipient for the purposes defined by the gift fund. Unused funds are not returned to the donor. Gifts are administered through the University of Illinois Foundation.

If a Corporate or Foundation donor wishes to make an unrestricted research gift, and requests a standard gift letter, use the Unrestricted Gift Letter (MS Word) to comply with the donor’s request.
SPONSORED PROJECT ACTIVITIES, AGREEMENTS, and DOCUMENTS

Funds for sponsored project activities (research instruction, public service, and other types of sponsored activities as outlined in Section 16.1.5, Sponsored Projects Administration Urbana-Champaign Supplement) are processed as either a “grant” or a “contract,” and are solicited and accepted to enhance the teaching, research, and public service missions of the University.

How the University defines and uses these funds is based on a written agreement with the sponsor, relevant laws, the General Rules of the University, and various guidelines, such as those from the National Association of College and University Business Officers (NACUBO).

Sponsored agreements primarily take the form of Grants or Contracts. Sponsored project activities documents will consist of one or more of the following items:

- Proposal (typically) submitted in a sponsor-required format.
- Scholarly terms or a Statement of Work, to define a line of scholarly or scientific inquiry (defined scope or objective).
- Formal deliverables such as periodic progress reports and/or performance objectives (reporting requirements), and their respective scheduled delivery dates.
- Specified terms regarding fiduciary responsibility or payment contingencies.
- Specified terms regarding disposition of property upon conclusion of the project.

Grants

A grant is an award of funds by a sponsor, to achieve some general or specific purpose. A grant generally provides greater discretion than a contract in the conduct of the sponsored project activity, and provides less specificity in the intended outcome of the activity. When properly accepted in writing by the University, a grant agreement is considered legally enforceable.

Federal agencies award financial assistance in the form of grants or cooperative agreements when the principal purpose of the award is to accomplish a specified public purpose (Federal Assistance Program) of support or stimulation authorized by federal law. Grants are also awarded by state agencies, local governments, foundations, associations, corporations, and other private entities.

Grants differ from gifts in that they entail specific reporting requirements, and differ from contracts in that they do not typically involve specific deliverables. Some corporations and foundations may refer to unrestricted gifts as “grants,” but the specific requirements outlined in the agreement determine whether the University distinguishes the funding to be a gift or a grant (see above). Corporate or foundation “grants” that are deemed philanthropic in intent and meet the criteria for a gift, as outlined within this policy, are processed as gifts.

Contracts

In general, a contract, (or procurement contract as known by federal case law), is an agreement between two or more parties that creates a legal obligation to do or not to do something. For a contract to be binding, the terms must be clear, there must be something of value given to the party making the promise, the parties must agree, and each must be competent to enter into the arrangement. In the context of sponsored projects, a contract defines specific rights and obligations of the contracting parties with regard to matters such as research results and deliverables, publication rights, inventions, public dissemination of results, and liability.

In projects sponsored by federal or state agencies, contracts have a distinct meaning, to be distinguishable from grants. While grants and cooperative agreements are legal mechanisms used to transfer financial assistance to support a program, contracts are used to procure goods and services for the direct benefit of the government agency. So, for instance, when the University receives a federal contract, it is obligated to provide goods or services for the direct benefit of the government.
## Distinctions Between Gifts and Sponsored Activities

The following chart outlines some of the differences between gifts and sponsored activities. If it is not entirely clear whether money received is a gift, or is in support of a sponsored project (for example, a grant), the appropriate campus sponsored programs office will review the documentation in accordance with Section 11.1, University Gifts.

<table>
<thead>
<tr>
<th></th>
<th>Gift</th>
<th>Grant</th>
<th>Contract</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Initiation of Activity</strong></td>
<td>Donor and/or University propose gift funding opportunities</td>
<td>Sponsor and/or Principal Investigator (PI), propose funding opportunities, or PI responds to a Request for Proposal (RFP.).</td>
<td>Sponsor and/or Principal Investigator (PI) propose funding opportunities, or PI responds to a Request for Proposal (RFP.)</td>
</tr>
<tr>
<td><strong>Terms, Conditions and Restrictions</strong></td>
<td>Funds are charitable in nature and intent. The donor receives no or nominal goods or services in exchange for the funding provided.</td>
<td>Funds may be philanthropic or for the public good, as defined under Federal Assistance Programs.</td>
<td>Sponsor pays compensation on a fixed-price or cost-reimbursement basis in exchange for University’s performance of the statement of work.</td>
</tr>
<tr>
<td></td>
<td>Gift may be unrestricted or donor may restrict gift for a specific program area or purpose, e.g. library, research, scholarships, etc. Unexpended funds are not returned to the donor.</td>
<td>Project may or may not be directly related to the grantor or recipient’s mission. Sponsor may request opportunity to review publications/data to ensure its confidential or proprietary information is not disclosed.</td>
<td>The parties agree on project details, direction and control of the sponsored project activity.</td>
</tr>
<tr>
<td><strong>Required University Performance in Exchange for Funds</strong></td>
<td>None, other than an assurance gifts will be and have been used in accordance with donor intent; donor may request periodic expenditure reporting to insure compliance with donor intent.</td>
<td>General understanding that funds will be and have been used in accordance with grant terms; expenditure progress reports may be required periodically.</td>
<td>Detailed scope of work and accounting of contract activity generally provided to sponsor throughout project.</td>
</tr>
<tr>
<td><strong>Intellectual Property Rights</strong></td>
<td>Not applicable.</td>
<td>University retains patents, copyrights, advance and exclusive</td>
<td>University retains ownership of IP arising from the project.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Facilities and Administrative (F &amp; A) Costs/Indirect Cost Rate (ICR)</th>
<th>Generally, no F &amp; A/ICR costs are paid.</th>
<th>Sponsor may pay F &amp; A/ICR to the university in accordance with the campus specific federally negotiated rate, sponsor guidelines or as approved by the Vice Chancellor for Research.</th>
<th>Sponsor may pay F &amp; A/ICR to the university in accordance with the campus specific federally negotiated rate, sponsor guidelines or as approved by the Vice Chancellor for Research.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Providers</td>
<td>Donors include individuals, corporations, foundations, and other organizations (e.g. donor advised funds.)</td>
<td>Sponsors typically include not-for-profits (e.g. family or private foundations), corporations, corporate foundations, federal, state, and local government agencies, associations.</td>
<td>Sponsors typically include corporations, federal, state, and local government agencies, and associations. Sponsors rarely, but may, include not-for-profits (e.g. private foundations) or corporate foundations.</td>
</tr>
<tr>
<td>Reporting / Stewardship</td>
<td>Often requires only general stewardship and communication as a courtesy to the donor, providing assurance that gifts were used in accordance with the terms of the donor’s intent.</td>
<td>General reports required regarding expenditure summary in compliance with sponsor’s intent.</td>
<td>Technical progress reports and detailed expenditure reports are generally required.</td>
</tr>
<tr>
<td></td>
<td>No tax receipt is provided.</td>
<td>No tax receipt is provided.</td>
<td>No tax receipt is provided.</td>
</tr>
<tr>
<td></td>
<td>Donor may request or require prior approval before being recognized as a source of funds.</td>
<td>Sponsor may request or require prior approval before being recognized as a source of funds.</td>
<td>Sponsor may request or require prior approval before being recognized as a source of funds.</td>
</tr>
</tbody>
</table>

For additional information or assistance, contact your campus Gift Processing and Stewardship Services Office (gifts) or campus OBFS Grants and Contracts office (grants or contracts). You may also consult
### Who To Ask

#### CHICAGO

Coordinator of Gift Processing and Stewardship Services  
2527 University Hall, MC-102  
601 South Morgan Street  
Chicago, IL 60607-7125  
312.413.4100  
gpss@uic.edu

Office of Research Services  
310 AOB, MC-672  
1737 W. Polk Chicago IL 60612-7227  
312.996.2862  
awards@uic.edu

Grants and Contracts Office  
809 S. Marshfield Building MC-551  
Chicago, IL 60612-7206  
312.996.3373

#### SPRINGFIELD

Associate Director for Business and Stewardship  
One University Plaza, PAC591  
Springfield, IL 62703-5407  
217.206.6058  
giftinfo@uis.edu

Grants and Contracts Accounting  
BSB 105  
University of Illinois at Springfield  
One University Plaza, MS BSB98  
Springfield, IL 62703-5407  
217.206.7849

#### URBANA-CHAMPAIGN

Director of Stewardship Services  
Harker Hall, MC-386  
1305 W. Green Street  
Urbana, IL, 61801-2945  
217.333.0675  
estewardship@uif.uillinois.edu

Office of Sponsored Programs & Research Administration  
1901 South First Street, Suite A MC-685  
Champaign, IL 61820-7406  
217.333.2187  
GCOAward@uiuc.edu

Grants and Contracts Office, Post-Award  
1901 S First St, Suite A, MC-685  
Champaign, IL 61820-7406  
Phone: 217-333-2186  
Fax: 217-244-4757  
gcpostuiuc@uiuc.edu

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Please send questions regarding this policy manual to OBFSPolicies@uillinois.edu.

Office of Business and Financial Services  
OBFS Policy Manual Home | OBFS Home  
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GIFT SOLICITATION AND ACCEPTANCE

SECTION I. POLICY STATEMENT.

Subd. 1. Consistency with University Mission. The University will only receive and accept gifts that are consistent with the University's overall mission. Donations to the University will be sought and accepted for programs, positions and purposes which have the appropriate academic or other approval of the University. Within these general guidelines, the University will only accept gifts which fully comply with any applicable federal or state law and which give the University control, subject to legally expressed donor intentions, over decisions regarding how such gifts are spent.

Subd. 2. Donative Intent. While valuable benefits, particularly tax and financial considerations may accrue to donors in certain circumstances, the donor must have a donative intent as a primary motive for making the gift to the University. Donative intent is the intention to give away something of value for the betterment of the University.

Funds received by the University and recognized foundations shall only be accounted for as gifts where such donative intent is present. Amounts received solely in exchange for services or property shall not be accounted for as gifts.

SECTION II. COORDINATION OF FUND RAISING EFFORTS.

Subd. 1. Coordination with Recognized Foundations. To ensure the most effective use of resources in seeking private support for the University, fund raising efforts on behalf of the University shall be coordinated through one of the recognized University related foundations. Foundations are recognized in accordance with established Board of Regents policy, “University Foundations.” The Board of Regents reaffirms the procedures and requirements set forth in that policy. The currently recognized foundations under that policy are: University of Minnesota Foundation, Minnesota Medical Foundation, Minnesota Landscape Arboretum Foundation and 4-H Foundation.

Subd. 2. Coordination Activities. The long term success of the development efforts on behalf of the University are dependent upon activities which generally occur at the collegiate level. The recognized foundations and the colleges shall strive to develop a close working relationship that ensures a coordinated effort for fund raising activities. Programs should be reviewed on an ongoing basis to ensure the continued success of fund raising activities.
Subd. 3. Designation of Foundation. The University of Minnesota Foundation is designated as the central development office of the University. While the University will accept gifts made directly to the University, absent unique circumstances making a direct gift to the University more appropriate, donors shall be requested to make gifts to one of the recognized foundations.

Subd. 4. Recording of Gifts. All gifts received by the University or one of its recognized foundations shall be reported to the University of Minnesota Foundation to ensure the proper receipting and recording of all gifts to the University in accordance with federal tax law.

SECTION III. ACCOUNTABILITY AND STEWARDSHIP.

Subd. 1. Highest Level of Accountability. In accepting gifts to the University, the University commits itself to the highest level of accountability and stewardship to the public and the donors. The University and any recognized foundations holding funds for the benefit of the University will comply with any applicable state or federal requirements regarding gifts to educational institutions and will account for any gifts received in accordance with generally accepted accounting standards and principles and University accounting policies and procedures.

Subd. 2. Primary Responsibility. The University and recognized University foundations shall exercise appropriate oversight so that donated funds received for the benefit of the University, are used for University purposes in accordance with the legally expressed intent of the donor and in accordance with policies and procedures adopted by the Board of Regents. The University and recognized foundations have primary responsibility for funds under their respective management. However, each shall take appropriate steps to ensure that donated funds are properly accounted for, that expenditures are made in accordance with the donors' wishes, and to facilitate reports to donors on the use of such funds.

## APPENDIX TO POLICY

### Indicators for Gifts, Sponsored Projects, and External Sales

**Related Policy:** Selling to External Customers

Printed on: September 29, 2009. Please go to [http://policy.umn.edu](http://policy.umn.edu) for the most current version of the Policy or related document.

<table>
<thead>
<tr>
<th>Revenue Type</th>
<th>Gift (Recognized U Foundation)</th>
<th>Sponsored Project (Sponsored Project Administration)</th>
<th>External Sales (Department or Central Administration)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Definition</strong></td>
<td>A transfer of money or property (i.e., equipment, land, etc.) made to the U via a recognized University foundation by an individual, group, business, or foundation NOT resulting in direct economic benefit or other tangible compensation (i.e., goods or services) to the donor.</td>
<td>Externally funded activity that is governed by specific and restrictive terms and conditions. Sponsored activities have separate budgets and accounts for fiscal and technical reporting pursuant to terms of the sponsor. Sponsored activity categories include research, training, and public service.</td>
<td>An exchange by the University of tangible or intangible property or service for monetary consideration with external customers. Excludes SPA sales related to technology transfer, license, and trademark agreements.</td>
</tr>
<tr>
<td><strong>Instrument typically used to communicate intent or provide funding.</strong></td>
<td>Letter or gift agreement.</td>
<td>Grant award notice, contract, or cooperative agreement supplied by sponsor.</td>
<td>Sales document, letter of agreement, standard University contract, or customer generated contract.</td>
</tr>
</tbody>
</table>

### Indicators

- Donor intends to take charitable deduction.  
  - X
- Results of work have no commercial value to donor.  
  - X
- Initiative for the project comes from the recipient.  
  - X
- Acknowledgment of receipt is the only external reporting requirement.  
  - X
<table>
<thead>
<tr>
<th>Specific scope is general or agreed on by donor and recipient. Funding broad area (i.e., scholarship, departmental research, building). Recipient has an active role in how money is spent. Reports back to donor are general. A time frame may be indicated in some situations.</th>
<th>X</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual or departmental research being funded is <strong>general</strong>: basic, fundamental or scientific research, <strong>not</strong> separately budgeted and accounted for.</td>
<td>X</td>
</tr>
<tr>
<td>Sponsored research being funded is <strong>specific</strong>: basic, fundamental, scientific or applied research that <strong>is</strong> separately budgeted and accounted for.</td>
<td>X</td>
</tr>
<tr>
<td>Specific scope of program workplan designed by sponsor. Time frame specified. Detailed restrictions on expenditures. Limited budget flexibility.</td>
<td>X</td>
</tr>
<tr>
<td>Technical progress reports or detailed financial reports required.</td>
<td>X</td>
</tr>
<tr>
<td>Unused funds may be returned to sponsor.</td>
<td>X</td>
</tr>
<tr>
<td>Document includes the following terminology: cost sharing, budget line item, intellectual property, overhead negotiations, period of performance, publication rights.</td>
<td>X</td>
</tr>
<tr>
<td>Scope of workplan includes the following references: human</td>
<td>X</td>
</tr>
<tr>
<td>Subjects, biohazards, radioactive hazards, recombinant DNA</td>
<td></td>
</tr>
<tr>
<td>Tangible benefit is received by the sponsor or customer. Agreement is binding. Recipient may incur penalties for failure to meet agreement. Sponsor or customer hopes to gain direct economic benefit.</td>
<td>X</td>
</tr>
<tr>
<td>Access to results of work may be restricted.</td>
<td>X</td>
</tr>
<tr>
<td>Sponsor wishes to own the results of data from activities conducted.</td>
<td>X</td>
</tr>
<tr>
<td>Government agency or quasi-government agency funds activity.</td>
<td>X</td>
</tr>
<tr>
<td>Product or service delivered without detailed reporting.</td>
<td></td>
</tr>
<tr>
<td>University structures work plan for activity and determines all necessary expenditures.</td>
<td></td>
</tr>
<tr>
<td>University bears risk of profit or loss on services rendered or properties sold.</td>
<td></td>
</tr>
</tbody>
</table>
Policy: Management of Gifts and Grants
Policy Number: F/UNTHSC/RES/OGCM-023
Scope: All Researchers
Created/Revised: Created 5/16/03, Revised 12/2007
Effective: 12/1/2007

1. DEFINITIONS

Both sponsored research projects and gift-funded activities are externally supported, with funds provided typically in response to a request or proposal. The classification of funding as "gift" or "sponsored" will affect, among other things, the way UNTHSC accounts for the funds, calculates and applies F&A (indirect) costs, and reports on the use of the funds to the sponsor or donor.

A. Definition of Sponsored Projects

Sponsored Projects are externally-funded activities in which a formal written agreement, i.e., a research grant, contract, or cooperative agreement, is entered into by the University of North Texas Health Science Center (UNTHSC) (and by the sponsor). A sponsored project may be thought of as a transaction in which there is a specified statement of work with a related, reciprocal transfer of something of value. If funding is a governmental entity (federal, state or local) or includes governmental flow-through funds, it would be considered a sponsored project agreement.

The following conditions characterize a sponsored project agreement, and help to distinguish such agreements from gifts:

1. STATEMENT OF WORK

Sponsored projects are typically awarded to UNTHSC in response to a detailed statement of work and commitment to a specified project plan. As described below, this statement of work is usually supported by both a project schedule and a line-item budget, both of which are essential to financial accountability. The statement of work and budget are usually described in a written proposal submitted by UNTHSC to the sponsor for competitive review.

There are usually progress or annual technical reports due to the sponsor based on the statement of work.

2. DETAILED FINANCIAL ACCOUNTABILITY

The sponsored project agreement includes detailed financial accountability, typically including such conditions as:

- a line-item budget related to the project plan. The terms of the agreement may specify allowable or unallowable costs, requirements for prior approvals for particular expenditures, etc.
- budget restrictions and rebudgeting limits
- a specified period of performance, typically defined with "start" and "stop" dates
- periodic payments are made to UNTHSC so that the financing of the project is on a continuous basis.
- regular financial reporting and audit, including, for federal and state awards, accountability under the terms of OMB A-21, Principles for Determining Costs Applicable to Grants, Contracts, and Other Agreements With Educational Institutions and OMB A-110, Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations
- A sponsored project budget will include UNTHSC's full negotiated F&A (indirect) cost rate, unless a waiver of those costs has been approved.

These conditions generally define the level of financial accountability associated with a sponsored project. While not all of the above conditions are necessary to define a sponsored project, they are collectively indicative of the increased level of financial accountability associated with such projects.
3. DISPOSITION OF PROPERTIES ("Deliverables")

Sponsored project agreements also usually include terms and conditions for the disposition of tangible properties (e.g., equipment, records, specified technical reports, theses or dissertations) or intangible properties (e.g., rights in data, copyrights, inventions). The presence of such terms and conditions in the agreement indicate that the activity is a sponsored project.

B. Definition of Gifts

A gift, on the other hand, is defined as any item of value given to the University by a donor who expects nothing significant of value in return, other than recognition and disposition of the gift in accordance with the donor's wishes. In general, the following characteristics describe a gift:

- No contractual requirements are imposed and there are no "deliverables" to the donor. However, the gift may be accompanied by an agreement that restricts the use of the funds to a particular purpose.
- A gift is typically irrevocable. While the gift may be intended for use within a certain timeframe, there is no specified "period of performance" or "start"/"stop" dates as associated with sponsored projects.
- There is no formal fiscal accountability to the donor beyond periodic progress reports and summary reports of expenditures. These reports may be thought of as requirements of good stewardship, and, as such, may be required by the terms of a gift. They are not characterized as contractual obligations or "deliverables."

UNTHSC agrees to use restricted gifts as the donor specifies, and does not accept gifts that it cannot use as the donor intends. If circumstances change such that a gift cannot be used as the donor specified, the donor must approve a change in the original restriction, or UNTHSC must receive court approval to waive the restriction (if the donor cannot be contacted). UNTHSC approval for changes in the purpose of a gift fund can only be granted by the President.

Gift solicitations should be coordinated with the Office of Institutional Advancement, and the Office of Institutional Advancement should be contacted for procedures applicable to gift solicitations.

C. Guidance For Properly Distinguishing Gifts from Sponsored Projects

1. DISTINCTIONS BASED ON SOURCE OF FUNDS

Any funding provided by U.S. Government agencies, at the federal, state, or local level, in support of UNTHSC activities is treated as sponsored project funding. Government funds are not treated as gifts. Funding from Voluntary Health Organizations or Associations, such as the American Cancer Society or American Heart Association, is usually treated as a sponsored project and not a gift.

2. DISTINCTIONS BASED ON INTENT OF DONOR/SPONSOR

In remaining cases, e.g., where funding is being provided by corporations, foundations, trusts or others not specified above, the distinction between gifts and sponsored projects will be made based on the proposal, statement of work, and terms of the agreement, taking into consideration the intent of the donor/spONSOR.

Note that, in some situations, communication, including the proposal and award as well as conversations, makes it clear that the donor's/ sponsor's intent is to classify an award to UNTHSC as either a gift or a sponsored project. In these cases, the terms of the accompanying agreement may have to be adjusted in consultation with the donor/spONSOR in order to clearly document the intent and avoid unintended classification. See section D.1 below.

D. Administrative Issues

1. DECISION-MAKING PROCESS IN UNCLEAR SITUATIONS
In some cases, particularly when the source of funds is a non-profit entity, the distinction between gift and grant, i.e., a sponsored project can be difficult to draw. In fact, donors may sometimes use the word "grant" when the donation qualifies as a "gift" or vice versa. When an individual is in doubt about the proper classification and handling of an award to UNTHSC, the Office of Grant & Contract Management and Institutional Advancement will confer and resolve the question. In addition, staff from the Office of Grant & Contract Management and Institutional Advancement should consult, as needed, with the Executive Vice President of Academic Affairs and Research or designee, the Principal Investigator and the Investigator's Departmental Chair.

See also Attachment A – Gift or Sponsored Project Indicators

2. DONOR/SPONSOR RELATIONS

In resolving issues related to the classification of an award, UNTHSC personnel must maintain an appropriate balance between the interests and preferences of the donor/sponsor and UNTHSC's administrative policies and objectives. Personnel should seek the guidance of UNTHSC's Office of Grant & Contract Management and Institutional Advancement to determine appropriate resolution when classification questions arise. In the process of resolving these issues, in some cases it may be necessary to contact the donor/sponsor for clarification of intent and requirements, and/or to discuss the planned use of the funds. Such contacts are usually best handled by Institutional Advancement in order to ensure positive donor relations in this and other instances.

3. ACCOUNT SET-UP

Whenever a new account is requested, the responsible organization (Office of Grant & Contract Management in the case of sponsored projects or Institutional Advancement in the case of gift funding) verifies that the account being set up is proper, in accordance with the definitions in this policy. These offices are responsible for assuring that a proper determination of gift or grant status has been made.

4. FACILITIES & ADMINISTRATIVE (F&A), i.e., INDIRECT COST, IMPLICATIONS

UNTHSC's policy is to apply full applicable F&A (indirect) cost rate to all sponsored research projects unless the sponsor has published guidelines, which limit or prohibit the recovery of our full F&A. All other instances must be approved using a F&A waiver request form. Gift funds will be assessed a fee in accordance with Institutional Advancement policy.