



Tuesday Tips is a new outreach effort by OGCA. The idea behind *Tuesday Tips* is to convey tips, tricks and other helpful information around the area of research administration. Our goal is to post on (almost every) Tuesdays. If there is something you would like to see covered on *Tuesday Tips*, email: UAF-GCReATE@alaska.edu. For more Tips visit [OGCA website](#)

Gift vs. Grant/Sponsored Projects Determinations

UAF regularly receives funding from a variety of sources including the government, corporations and other private entities. Private entities (individuals, private agencies, professional associations, private foundations, corporate foundations and corporations) may be either donors or sponsors depending on the nature, intent and expectations of the funding they are providing. It is important to accurately classify the funding as either a gift or a grant/sponsored projects to ensure that funds are correctly accounted for and properly classified in the university's financial statements. Furthermore, UAF has a fiduciary responsibility to sponsors and to donors to accurately classify these awards.

Philanthropic gifts are the voluntary, non-reciprocal transfer of money or property from a donor to an institution. The donor may be an individual, a foundation, a corporation, or another nonprofit organization. The donor does not expect anything of "value" in return (except perhaps recognition) and cedes control of the gift, though the donor may restrict the use of the gift to meet their philanthropic goals. A restricted gift is a contribution

designated for a specific purpose or program. If the donor does not specify any restrictions, the institution may allocate the funds at its own discretion.

The principal purpose of **sponsored projects (grant, contracts, cooperative agreement etc....)** is to transfer money or property from a sponsor to an institution in exchange for specified deliverables (i.e., technical, progress reports, financial reports, etc.) to be provided within a designated period of performance. Excess funds may be required to be returned to the funder. Penalties may exist for failure to comply with funder requirements (aka terms and conditions). In addition, facilities and administrative (F&A) costs may apply.

Gift vs. Grant Determination

Funds received by US or international governmental agencies at the federal, state or local level are never treated as gifts. In cases where funding is provided by individuals, corporations, foundations or others, the gift vs. grant distinction is based on the nature of the proposal, statement of work, and/or other terms of the agreement, taking into consideration the intent of the donor/sponsor.

Note that donors sometimes confuse the classification issue by using the word "grant" when the funding actually qualifies as a gift, or vice versa. Therefore, careful consideration of the supporting documentation is critical in determining donor/sponsor intent. Administrators should use the following factors to help determine donor/sponsor intent:

Category or indicator	Factor generally indicates a "gift"	Factor generally indicates a "grant/sponsored project"
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Proposal Process

Generally, results from

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restricts the use of the
funds for a specific

Scope of Work	The donor typically wishes to support the broad goal of an activity rather than delineating a specific course of action.	A specific commitment is made regarding the level of personnel effort or specific milestones.
Project Direction or Mentoring	Sponsor may identify an individual in the university as a point of contact, particularly if that person works in university relations or philanthropic functions of the corporation.	Sponsor identifies a technical monitor/ principal investigator/program director who is responsible for monitoring performance, arranging research visits and providing liaison between the University and corporate research teams.
Cost and Budget Information	Line item budgets are generally not required; however, general budgets which outline categories of support may be included as part of the proposal process and/or the gift agreement.	Budgets are generally required.
Facilities and Administrative (F&A) Costs	N/A	F&A Cost Rates defined cognizant agency
Award terms and conditions	The donor may request information related to the use of funds but places little or no restriction on review of results before they are made publicly available.	Award includes conditions for specific formal fiscal reports/audits and or invoicing.
Progress Reports	Investigators may provide updates on	Programmatic reports are generally required

	Smaller gifts do not usually require reports.	
Renewal	Normally no formal renewal. Additional funding may be provided at the discretion of the donor.	May be continued or renewed contingent on such things as technical review or satisfactory progress. (This implies that the sponsor is monitoring performance to determine if some set of expectations is fulfilled).
Compliance	While activity may involve compliance issues, enforcement is not a sponsor concern.	[s n BT 0.00f8.s n.8 ()-5.

of programmatic objectives within a specific budget and time framework.

- The sponsor

- The award is made by a private individual, private foundation, corporate foundation, corporation, private agency, or professional association and does not include required programmatic or technical reporting, but may include general financial reporting.
- The award is from a non-government source and the donor specifically intends the award to be a charitable gift as reflected by the absence of any delivery of goods or services or direct economic benefit to the sponsor. Indirect benefits such as tax advantages or goodwill derived from the contribution are not sufficient to affect the gift intent.
- The donor intends the gift to be irrevocable, relinquishing any right to reclaim the gift in its entirety or any unused portion or to invoke any penalties. Solicitations for gifts should be coordinated through the UA Foundation prior to submission.

For additional information visit OGCA website

https://www.uaf.edu/ogca/lifecycle/6-management/managing_general/