

Gift vs Grant Policy (Provisional)

The following policy is provided to provide clarity and guidance on the determination on whether an award should be classified as a gift or sponsored award.

Sponsored Award

A sponsored award is funding from an external entity such as a private foundation, corporation, or governmental agency for an activity with a defined scope and purpose undertaken by the University with the expectation of an outcome that directly benefits the provider.

Sponsored awards, which include both grants and contracts, bind the University to a set of specific terms and conditions and involve a related reciprocal transfer of something of value to the sponsor. In general, contracts contain a more precisely stated expectation of a definable work product on some set schedule as a condition of payment. Also, contracts generally provide for tighter control by the sponsor over the scope of work and utilization of funds.

The following factors are often indicative of a sponsored project:

- A line-item budget for the expenditure of funds for the project Activity
- A detailed statement of the planned Activity or scope of work
- A specified period of performance as a term and condition
- A commitment by BC to provide “deliverables” (e.g., products, or periodic technical or progress reports)
- Fiscal accountability, such as submission of financial reports, audit provisions, sponsor prior approval of or control over expenditures, and/or an obligation to return unexpended funds
- Obligation to convey rights to tangible or intangible property resulting from the project (equipment, data, technical reports, copyrightable or patentable materials)

Sponsored awards are charged facilities and administrative (F&A) costs, whether identified in the award or not, unless the sponsor has a written policy that precludes such recovery and the University has accepted the award with this restriction. The rates to be applied are Federally-negotiated or University-approved rates. The AVP (or designee) after consideration of the proposed award may choose to accept an alternative F&A cost arrangement.

Sponsored awards from private foundations, corporations, corporate foundations and government agencies are administered by OSP. The Corporate and Foundation Relations Office should be kept informed of all corporate and foundation activities and receive copies of all correspondence related to such activities.

Gift

No single indicator, by itself, distinguishes a gift from a sponsored project (“grant” or “award”). Gifts are unconditional, voluntary, irrevocable transfers of money or other assets to support University programs or activities. Gifts can be unrestricted or restricted.

The following factors are often indicative of a gift:

- Use of the funds is directly related to the University's mission
- The value, if any, returned to the resource provider is incidental or nominal. Public benefits are not considered value returned to the resource provider
- The scope of work, budget, or period of performance is not specified by the donor or promised by the University
- There is no requirement to return unexpended funds to the donor

Responsibilities

Depending on the facts and circumstances, some of the indicators listed above may be more significant than others; however, no single indicator is determinate of the classification of a particular transaction.

When the appropriate categorization of external funds received is uncertain, OSP, Advancement, and the Controller's Office will be consulted before a determination is made. In cases of lingering uncertainty or dispute about the appropriate categorization of external funds received, the Provost and the University Financial Vice President will consult and reach a final determination.