



CHARLES R. DREW UNIVERSITY OF MEDICINE AND SCIENCE Office of Sponsored Programs

Grant vs. Gift

Overview:

- To establish the guidelines to determine if a revenue stream is a grant or gift in order to ensure that proposals are properly submitted and awards are correctly processed.

Definitions:

The distinction between gifts and grants can be subtle. The term “grant” is defined very differently by various corporate and foundation funders and can therefore cause confusion. Please note the terms of the award should be used to determine its status.

Grant: Any externally funded research, public service or scholarly activity that has a defined scope of work and set of objectives which provide a basis for accountability and sponsor expectations. If any one of the following characteristics applies to a project, including commitments made in the proposal or required in the award agreement, it **must** be processed through the Office of Sponsored Programs (OSP):

- Sponsor is the federal, state, or local government or an agency that has been established simply as a flow-through of federal, state, or local government funds for accounting purposes.
- Proposal or award requires a signature from an authorized official binding the University to the terms and conditions of the proposed project.
- Sponsor has written policies requiring indirect cost recoveries. *Note:* the absence of a policy does not preclude the award from being a sponsored program.
- Award contains provisions regarding ownership of intellectual properties, i.e. patents and copyrights.
- Sponsor requires the delivery of specific goods or services by the University (e.g., technical assistance or training).
- Award requires a detailed technical report.
- Award payments are contingent upon programmatic or fiscal reporting (e.g., milestones, invoices).
- Award includes budget restrictions (e.g., prior approval for re-budgeting and restrictions on certain budget categories, equipment or fringe benefits).
- Award includes a provision for audit.
- Award restricts or monitors publications or use of results.
- Award requires protection of sponsor and/or confidential information.
- Project involves the use of human subjects, vertebrate animals, radioisotopes on humans, radioactive materials, recombinant DNA, human body substances, etiologic agents or proprietary materials.

Gifts: Activities supported by a donor that are **generally not** considered grants and can be processed as *gifts* may include the following characteristics:

- Award provides support for broadly defined activities, such as professorships, endowments, building projects, instructional programs, and unrestricted research. The donor may restrict the use of funds to a specific program area or purpose.
- Award contains only minimal requirements, generally relating to required donor pledge payments and the University's commitment to effectuate the donor's intent.
- Award requires only minimal reporting to the sponsor donor in the form of a general statement of how funds were used. The unit or faculty member involved may provide the donor with a brief summary of the results of supported activities and/or a statement that expenditures were made in accord with the intent to the gift.
- Award is irrevocable

Procedure:

All projects determined to be a grants must be processed through the Office of Sponsored Programs. Activities supported by a donor that are generally not considered grants can be processed as gifts to the University.

Questions regarding whether a proposal or an award is a gift or a grant should be directed to the Office of Sponsored Programs (OSP) or Office of Development. OSP and the Office of Development will work together to determine a project's classification when there is a question about how it should be processed. Cases needing further clarification will be brought before a review committee composed of senior representatives from the OSP, Development, Finance and the Vice President for Research.