

# SPON-004 Gift or Grant Determination

	<p>Policy identification number: <b>SPON-004</b></p> <p>File: <b>Other Operational Policies / Sponsored Research &amp; Federal Relations</b></p> <p><b>Gift or Grant Determination</b></p> <p>Policy Summary</p> <p><b>This policy shall clarify the difference between funds raised as gifts, donations, or pledges or those raised as grants or contracts to: 1) ensure proper financial recording and reporting of gifts vs grants and 2) determine whether funds received from off-campus sources should be administered by the Office of Institutional Advancement or by the Office of Sponsored Research and Federal Relations. The classification of external funding as either a gift or grant serves as an important step in ensuring that the appropriate accounting and compliance action is used.</b></p>
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Policy Owner	Approval Date	Effective Date
<b>Provost and Vice President for Academic Affairs</b>	<b>November 2, 2016</b>	<b>November 2, 2016</b>

Search Terms	Scheduled for Review
<b>pvpaa, vpia, g, gift, grant</b>	<b>Fall 2020</b>

## I. Policy Statement

The classification of funds originating from a source external to Fort Lewis College is made based on the terms and conditions under which the funds are given by the funding source (sponsor).

The chart below shows the general characteristics of and differences between the two funding categories of gifts and grants. Please note that in some cases it may not be readily apparent if the award is a gift or a grant. In these cases the Office of Sponsored Research and Federal Relations, in conjunction with the Office of Institutional Advancement, will review the documentation and decide which classification is most appropriate.

**Guide to Determining if the Award is a Gift/Donation/Pledge or a Grant/Contract**

	<b>Gift/Donation/Pledge</b>	<b>Grant/Contract</b>
<b>Benefit received by funder from activities funded</b>	<p>Serves philanthropic or personal interest of funder, but does not serve the primary business purpose of the funder;</p> <p>No benefit received other than recognition and disposition of the gift in accordance with the donor's wishes</p>	<p>Serves the primary business or mission interest of the funder, whose basic activities are integrally related to the research plan;</p> <p>Benefit received</p>
<b>Specificity of intent of funder</b>	<p>Funder seeks advances in a general area of research or education; or seeks advances in a specific area, but without prescribing specific strategies or work plans</p>	<p>Funder seeks implementation of a specific research or education plan, with well-defined objectives, strategies, work plans and/or deliverables</p>
<b>Deliverables and Right to Audit Spending</b>	<p>Do not have a specific scope of work with milestones and deliverables, other than intellectual satisfaction that the activities have been undertaken;</p> <p>No deliverables provided, but may be accompanied by restrictions on use of funds</p>	<p>Funder expects and receives implementation of, and a report of, the College's funded activities; ability to audit records; funder's own mission and/or research agenda is advanced through the College's funded activities;</p> <p>Deliverables provided</p>
<b>Scope of work</b>	<p>More generally defined; typically no time frame or period of performance</p>	<p>More specifically defined with a clear period of performance.</p>
<b>Persons performing funded activities</b>	<p>Often left to the discretion of the College, school, department or one named individual</p>	<p>Key personnel (or the equivalent project leadership team) are named in proposal, and changes to key personnel must be pre-approved by funder</p>
<b>Budget specificity and restrictions</b>	<p>Budgeting is general in nature and terms, as funds are used for the stated purpose</p>	<p>Budgets are specific, and variances from proposed budgets (within designated parameters) require funder pre-approval</p>
<b>Progress reports</b>	<p>May be required but are most often general in nature and content</p>	<p>Required, and must outline progress toward the specific research or project plan</p>

<b>Terms of funding</b>	Less detailed	Often detailed, with standard, detailed terms and conditions for all funding from that sponsor
<b>Accountability for use of funds</b>	More moral than legal	More legal than moral
<b>Ability of funder to recoup funds</b>	Generally very difficult to recoup, except in cases of deliberate, proven use of restricted funds inconsistent with terms of a restricted gift	Established ability of funder to terminate the agreement and/or demand repayment of funds, if specific research or project plans have not been implemented
<b>Method of documentation</b>	Letter of intent of funder in making award	Binding (often signed) agreement between the College and funder, binding the College to implement specific research or project plans

## II. Reason for Policy

The College must manage all funds received in accordance with applicable federal, state, and local laws, and with the specific terms and conditions of any gift, grant, or contract. The college’s approval, negotiation, and agreement processes and mechanisms, accounting, budget practices, oversight, and compliance practices differ depending on whether funds received are categorized as a gift or a grant. There are very clear factors that differentiate a gift from a grant. It is essential that the categorization of external funding received be done with care, consistency, and with a sound understanding of the various considerations (outlined in the table above) that drive the determination of funding type. This policy is intended to facilitate the appropriate classification of gifts vs grants and to ensure that external funding for the College receives the proper compliance review, administrative oversight, and monitoring.

## III. Responsibilities

**For following the policy:** All individuals, departments or programs soliciting external funding for College purposes

**For enforcement of the policy:** The Vice President for Institutional Advancement, the Director of the Office of Sponsored Research and Federal Relations, and the Controller

**For oversight of the policy:** The Provost and Vice President for Academic Affairs and the Vice President for Institutional Advancement

**For notification of policy:** Policy Librarian

**For procedures implementing the policy:** The Vice President for Institutional Advancement and the Director of Sponsored Research and Federal Relations

## **IV. Definitions**

**Gift:** A contribution that is donative in intent, given voluntarily and with nothing significant of value given in return, other than recognition and disposition of the gift in accordance with the donor's wishes.

**Grant/Contract:** An externally funded activity where there is an agreement representing transfer of money or property in exchange for specific services, often including deliverables and specific reporting requirements.

## **V. Procedures**

[Sponsored Research and Federal Relations:](#)

## **VI. Cross-Referenced Policies**

[Coordination of Private Fundraising](#)

## **VII. Consequences for Non-Compliance**

Potential allegations of misappropriations of funds and associated fines for federal and state dollars, federal and state fines for lack of compliance, jail time for the individual offender, if a federal grant, loss of funding.