Gift or Grant: Routing of Corporate or Foundation Grants

Interpretation of the Term “Grant”:

All funds received by the University as restricted or unrestricted gifts are administratively assignable to the Development Office for proper handling. Some corporate or private foundations, however, may call a grant a gift, or a gift a grant; regardless of terminology, the presence of any one of several criteria always indicate a “grant”, or possibly a contract, will occur. Often the sponsor will have written policies, i.e. “conditions”, that are either accepted by the University through the application process itself, or upon award, that will cause the Sponsored Programs Office to classify the transaction as a grant and expect the proposal routing to occur through standard approval procedure channels.

These criteria are as follows:

1. There is a quid pro quo - e.g., the sponsor obtains intellectual property rights; requires review of publications and/or submission of technical reports, reserves prior approval authority for specified actions, etc;

2. Indirect costs are provided by foundation policy;

3. Unexpended funds must be returned to sponsor;

4. A specific time-frame is stated for use of funds; or

5. Application responds to Sponsor’s solicitation.

In general, our office subscribes to four criteria, all of which should be met, in order to consider a receipt of funds as a gift from a donor:

1. There is no exchange of mutual consideration;

2. The funds are irrevocable;

3. The provider expresses, or clearly implies a ‘donative’ intent; and

4. Acceptance does not require the University to change the magnitude or direction of its current efforts.

There may be instances wherein the above clarifications may be inadequate in determining the proper classification of funds. The Sponsored Program Office in collaboration with the Development Office will assist in providing guidance. These clarifications are not intended to hinder our faculty’s pursuit of external program support, but to ensure proper review and administration of those activities.