



**Gift Vs. Grant Determination Process
& Indicator Checklist**

Last Updated: 1/30/2021
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The definitions provided below are intended to clarify the differences between “Gifts” and “Grants.” Additionally, the Table of Indicators below provide guidance classifying whether prospective sources of funding are gifts or grants.

In order to make the most accurate decision between what is a grant and what is a gift, all components of information related to the gift/sponsored project should be reviewed by the PI and any other participant that may be appropriate to be a part of the decision-making process. Internally, this may include administrative leadership, University Advancement officers, the Faculty or Staff Primary Investigator (PI), department or college administrator, Fiscal Affairs, and staff from the Office of Sponsored Research Administration (OSRA).

The review should be discussed with OSRA, which, in collaboration with Fiscal Affairs and the University Advancement Office, will consult to make final determinations in cases where there is a question as to whether an activity for which external funding is sought constitutes a grant or a gift. A determination will be made that will be in accordance and compliance with all relevant regulations and rules including IRS, federal grant regulations, and Generally Accepted Accounting Principles (GAAP) and GASB. OSRA and the University Advancement Office, when making the determination, may seek clarification, question a decision, ask for justification, or solicit additional documentation to ensure that the donor’s/sponsor’s intent is honored. Back-up documentation should reside in OSRA and the University Advancement Office. Note: University Advancement accepts gifts, and OSRA accepts grants on behalf of the University

Definitions:

A **gift** is the voluntary, non-reciprocal transfer of money or property from a donor to an institution. The donor may be an individual, a corporation or a non-profit organization. The donor does not expect anything of value in return other than recognition and does not have control over expenditure of the funds. A gift may meet the interests of the donor and can be restricted or unrestricted. A restricted gift is a contribution designated for a specific purpose, program, or project. If the donor does not specify any restrictions, the gift is unrestricted and the institution allocates the funds at its own discretion. Only the Development Office may accept gifts on behalf of the University.

A **grant** (aka, sponsored program funding, award) is the transfer of money or property from a sponsor to an institution that generally is to achieve a public purpose and which requires the performance of a specific scope of work such as research, education, outreach, or service and for which budget reports and progress reports, and return of unused funds are required.

Both grants & gifts are controlled by laws of State of Georgia, accounting regulations (GASB), IRS. In the case of federal grant funds, the funding is governed by federal laws and grant regulations 2 CFR 200 Uniform Guidance which governs cost principles, audit, and administrative along with federal agency specific regulations and award terms and conditions.

The following factors should be taken into consideration for determining whether it is a gift or a grant. The presence of any single factor does not represent the condition of gift or grant. To determine if a transaction is a gift or a grant, all of these factors should be considered simultaneously. **In cases where there is a question as to whether an activity for which external funding is sought constitutes a grant or a gift, OSRA will work with the University Advancement Office to determine the classification.**

To aid in the determination of whether the funding under consideration is a gift or a grant, the checklist below is provided. Review all of the documentation associated with the funding (such as Statement of Work or Project Description, proposal or letter of intent, or request for funding including budget; award letter, etc.) for indications that will help you to determine whether the funding should be considered support for a grant or a gift.

CHECKLIST

Provide an answer for each item below:	Yes	No
1. Does a formal proposal exist with a statement of work (a commitment to a specific project plan).		
2. Are progress, technical, final reports, and/or other exchanges required?		
3. Does the proposed activity bind the university to a specific delivery of work including service to a funding agent endorsed by an authorized official? If so, the grant approval form must be submitted to OSRA.		
4. Does the activity have a specified performance period or completion date?		
5. Is there a detailed line item budget for work (i.e., commitment of percentage of effort)?		
6. Is return of any unexpended funds at the end of a designated period required?		
7. Is detailed financial reporting beyond a summary report of expenditures (e.g., line item detail, percentages of effort) required?		
8. Does the agreement for the activity contain compliance terms and conditions (IRB, animal use, export control, conflicts of interest)?		
9. Do terms and conditions for the disposition of intangible property (e.g., intellectual property, rights in data, copyrights) exist?		
10. Does the agreement for the activity contain compliance terms and conditions?		
11. Are the initial pricing, expenditures, financial reporting, and/or performance subject to external audit?		
12. Are billing, separate accounting procedures, and/or report of expenditures required?		
13. Is cost sharing/cash matching involved in the performance of the activity?		
14. Does the activity include budgeted indirect costs?		
15. Is reimbursement/payment contingent on completion of specified exchanges?		
16. Is it a voluntary donation — i.e., the donation transmittal information does not include any of the conditions defining a sponsored program?		
17. Is it a voluntary donation of funds given irrevocably?		
18. Is it a voluntary donation of personal property (e.g., cash, securities, books, equipment) provided by a donor without expectation of tangible or economic (except tax) benefit?		
19. Is it the transfer of property with no implied responsibility on the part of the university or the foundation to provide the donor a product, service, technical or scientific report, intellectual property rights, or any other exchanges?		
20. Is it a donation of real estate?		

Sponsored Project (Grant): If you answer “Yes” to any of questions 1 – 15, the funding should be considered support for a *sponsored project (grant)*.

Gift: If you answer “Yes” to any of questions 16 - 20, the funding should be considered a *gift*.

Determination (Circle One): Gift Sponsored Project (Grant) Uncertain

Uncertain: If you cannot answer any one question with certainty, review it with the Office of Sponsored Research Administration or with University Advancement.

When determination is uncertain, for assistance with the determination of the funding class, please submit your supporting documentation along with this determination checklist to the OSRA, Fiscal Affairs, and University Advancement Office.

PI _____ Dept: _____

Date: _____ Sponsor/Donor: _____

Project Title: _____ Amount _____

FOR COMPLETION BY OSRA AND UNIVERSITY ADVANCEMENT:

Final Determination:	Gift	Sponsored Project (Grant)
Initial Department Determination Made by:	_____	Date: _____
Research and Sponsored Projects:	_____	Date: _____
University Advancement Office:	_____	Date: _____
Fiscal Affairs Office:	_____	Date: _____

TABLE OF INDICATORS

FACTOR	GIFT INDICATOR	GRANT INDICATOR
Source	Individuals Non-Profit Organizations Corporations Corporate Foundations Other Organizations (such as Donor-Advised Funds) Family or Individual Foundations are generally treated as individuals.	Government Agencies Non-Profit Organizations Corporations Corporate Foundations
Purpose	The donor may specify an area of interest or a goal to be funded with their gift.	The sponsor specifies how the funds should be used (line itemized budget in defined categories of cost), as outlined in supporting documentation (award letter or grant agreement)
Value Exchange	No implicit or explicit value is exchanged other than recognition.	
Reporting	The institution has little or no obligation to report to the donor on how the gift is used or invested. The institution is not prevented from providing such reports, but rather uses the opportunity for donor stewardship. Required reporting is limited to details of how, when, and to whom funds were disbursed as well as statements of earning when applicable.	The sponsor requires performance of specific duties such as research, education, service, outreach, and periodic and final budget reports, and progress reports, and return of unused funds are required
Proposal Process	Initiated by donors, advancement staff, or faculty members.	In response to a funder's RFP or program, the SSU PI will initiate development of a proposal; prior to submission, PI must secure institutional approval via the Grant Approval Form
Document	Donation Letter/ Gift Agreement/MOU	Award Letter, Notice of Award, or Grant Agreement
Deadline/Terms	Typically, no time period is associated with the use of these funds.	Requires a specific time period for conducting projects.
Excess Funds	N/A	Required to return to sponsor.
Penalty for Non-Performance	No penalties for failing to use the funds.	Penalties (loss of funding, termination of award) may exist for failing to use the funds or to deliver the items on a timely basis.
F&A (Facilities and Administrative) Cost Rates*	None	F & A Cost Rates* as approved by DHHS and administered by ORSA.

Grant vs Gift

	Grant	Gift
Description	Represents an "exchange transaction" in which each party receives commensurate value	Represents a "contribution," an unconditional transfer of cash which is voluntary and non-reciprocal.
Reporting	Usually has reporting requirements or specific restrictions on how the money can be spent	No reporting required, though provided periodically, with or without designation and specific restrictions
Time Period	Usually has a specified time period over which the work will be done (a start date and an end date)	No specific time period
Funding	Sometimes requests that unused funds must be returned to the awarding agency/foundation/corporation	Usually all the money is received upfront. SSU is given unconditional rights to the funds, in some cases over time, and funds do not need to be returned to the sponsor