Gifts vs. Sponsored Projects

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OVERVIEW

- Define Gift vs. Sponsored Project
- Why is it a Gift?
- Why is it a Sponsored Project?
- Special Considerations
- Case Studies
- Resources

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DEFINE GIFT

❖ **A GIFT**:

- Is a voluntary and irrevocable transfer of money, services or property (i.e. equipment, effort, etc.)

- Does not have any expectation of or receipt of good or services from the recipient

- Does not have performance requirements, either written or oral

DEFINE SPONSORED PROJECT

❖ **A SPONSORED PROJECT** (grant, contract, cooperative agreement) is:

- Externally funded activity with a statement of work or set of objectives (AIMS) that provides a basis for sponsor expectations

- Enforceable by law

- Subject to termination or the need to return remaining funds

- A sponsor and recipient exchange of items that have economic value (including knowledge, IP)

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WHY IS IT A GIFT?

- **Gifts may require minimal reporting** to sponsor in the form of a general statement of how funds are used

- **Gifts may be limited** towards general use in a specific department, lab or research area

- **Gifts may include:** endowments, construction projects (buildings, renovation or equipment) or general student financial assistance (fellowships or scholarships)

- External funds may be determined to be a gift if there are no sponsored project indicators

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WHY IS IT A SPONSORED PROJECT? SPONSOR

❖ Determined a **sponsored project** if the sponsor:

- Is a **government entity** (Federal, State or Local) or includes governmental flow-thru funds

- **Awarded funds through a competitive bid process** or in answer to an RFP (Request for Proposal) or FOA (Funding Opportunity Application)

- Issued a contract, cooperative agreement, consortium agreement, subcontract or purchase order

- Funds a project for a **specific scope of work**, product service or other deliverables

WHY IS IT A SPONSORED PROJECT? TERMS & CONDITIONS

❖ **Determined a sponsored project if the Terms and Conditions:**

- Impose publication restriction

- Require conveyance of rights to tangible (equipment) or intangible property (patents, trademarks, trade secrets, etc.)

- Require an audit of facilities or other University resources

- Stipulate compliance with federal or state regulations, unallowable costs, subcontracting, insurance, indemnification, confidential information, modifications, termination, penalties or applicable law

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WHY IS IT A SPONSORED PROJECT? FINANCIAL RESTRICTIONS

❖ **Determined a sponsored project if financial restrictions include:**

- How funds are to be used or include a line/itemized budget

- A start or end date on the use of funds

- Facilities and Administration Costs (F&A/Indirects)

- The return of unexpended funds for **<u>any</u>** reason

- Invoicing or detailed financial reports

- Funding based on cost reimbursement contingent upon programmatic and fiscal reporting

SPECIAL CONSIDERATIONS

❖ The following require special considerations in determining if the funding is either a gift or sponsored project:

- Funds used as matching or cost sharing towards sponsored project

- Funds for activity involving human and/or animals

- The project or members of the project team may have a potential conflict of interest with sponsor

- Requires a signature of an authorized University Official and/or the PI

❖ If any of these circumstances apply, please contact your Sponsored Programs Specialist and/or Research Administration Manager

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Checklist - DRAFT

PI/Recipient: Click or tap here to enter text.
Date: Click or tap to enter a date.
Project Dates: Click or tap here to enter text.
Department: Click or tap here to enter text.
Sponsor/Donor: Click or tap here to enter text.
Amount: Click or tap here to enter text.

Instructions:

Answer all eight questions below and include comments when necessary. To use this form, review all documentation associated with the funding for indications that will help determine whether the funding should be considered support for a sponsored project (grant), or a gift.

Documentation may include some or all the following items:
1. Statement of work or project description
2. Proposal, letter of intent, or request for funding, including budget
3. Award letter
4. All correspondence

	GIFT OR GRANT CHECKLIST	YES	NO	UNCERTAIN* (Explain)
1	Is the funding from the government at the federal, state, or local level?	☐	☐	Click or tap here to enter text.
2	Is funding provided from an individual (not an organization)? Comments:	☐	☐	Click or tap here to enter text.
	IN ADDITION TO THE ABOVE, DOES THE SPONSOR/DONOR REQUIRE:	**YES**	**NO**	**UNCERTAIN* (Explain)**
3	Statement of work (commitment to a specific project plan such as testing of hypotheses, experiments, model project, or defined set of deliverables)?	☐	☐	Click or tap here to enter text.
4	Detailed line-item budget for work (e.g., commitment of percentage of effort)?	☐	☐	Click or tap here to enter text.
5	Commitment of University resources (e.g., service centers, required cost share)?	☐	☐	Click or tap here to enter text.
6	Return of unexpended funds at end of designated period (e.g., "Start" and "Stop" dates)?	☐	☐	Click or tap here to enter text.
7	Detailed financial reporting beyond summary report of expenditures (e.g., line-item detail, percentages of effort, required cost share, final invoice, final report)?	☐	☐	Click or tap here to enter text.
8	Terms and conditions for disposition of tangible property (e.g., equipment, records, technical Reports, theses, dissertations, or other deliverables)?	☐	☐	Click or tap here to enter text.
9	Terms and conditions for disposition of intangible property (e.g., intellectual property, rights in data, copyrights)?	☐	☐	Click or tap here to enter text.

* Uncertain: If you cannot answer any one question with certainty, review with Office of Sponsored Programs (OSP), who will coordinate with the Development Office. If the funding is determined to be a sponsored project, attach a signed copy of this Checklist to the award documentation and forward to OSP. If the funding is determined to be a gift, attach a signed copy of this Checklist, indicating the final determination, to Gift Processing.

Determination: Sponsored Programs _____   Gift _____

NOW WHAT?

➤ **Gifts** are handled through the:
Office of Development (FRIE)

🏛 **UNC** | UNIVERSITY DEVELOPMENT

- No terms, conditions or restrictions associated with funding
- Limited, if any, financial reporting
- Email: Frie@unc.edu

➤ **Grants** are handled through the:
Office of Sponsored Programs (OSP)

🏛 **UNC** | RESEARCH

- Sponsor is a government entity
- Imposes any restrictions on funding (T&Cs)
- Detailed deliverables, SOW, invoicing and/or financial reporting
- Email: SponsoredPrograms@unc.edu

When in doubt, email your Sponsored Projects Specialist and/or RAM. OSP will work in collaboration with the Office of Development to determine if it is a Gift or Grant

CASE STUDY #1

➢ Sponsor gave complimentary funding for an NIH project whose funding was reduced

➢ No terms and conditions were given, other than it was being given to "compliment" that specific project

➢ Previously, PI, along with sponsor's parent company, co-invented a product that was being used in the sponsored project
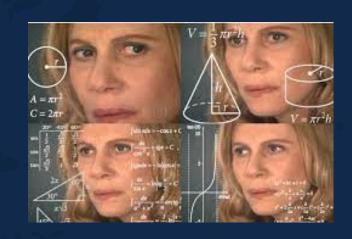
Gift or Grant?

CASE STUDY #2

➢ Sponsor, an individual, wanted to write a personal check for a large sum of money for a specific clinical trial to a specific department.

➢ The sponsor also wanted to be the PI on the project

➢ The sponsor had a .10 FTE at UNC, and a full-time position in industry

➢ The sponsor indicated that results would be published

Gift or Grant?

POLICIES/WEB RESOURCES

https://research.unc.edu/2017/05/12/gift-vs-sponsored-project/

https://giving.unc.edu/who-we-are/

https://research.unc.edu/sponsored-programs/

COMING SOON A Gift or Grant Checklist Tool

Questions/Discussion

Thank you for joining us!