



## UNIVERSITY of DAYTON Gift vs. Sponsored Programs

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Awards from foundation and industry sponsors may call into question the proper classification of the funds received. Accurate categorization of these funds is important for assurance that the University is in compliance with 1) appropriate federal laws and regulations, 2) University policies and procedures, 3) donor/sponsor intent and 4) external reporting standards. Classification of awards, often identified as grants, will be made based on the proposal, statement of work and terms of the agreement, taking into consideration the intent of the funder. It is important to note that funding may have characteristics that fall within one or more categories; thus, all factors must be weighed in order to make a final determination.

To provide greater clarity in the distinction of grants as either a gift or sponsored program, the following general criteria have been developed to assist University personnel in making an accurate determination. Not all characteristics of one category need to be met to classify funding as one or the other. If the distinction is not clear, Vice President for Research, Vice President for Advancement and Vice President for Finance and Administrative Services can perform a higher level review, if necessary.

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A **GIFT** is any item of value given to the University by a donor who expects nothing significant of value in return, other than recognition and disposition of the gift in accordance with the donor's wishes. A gift may be made in the form of a contribution of money, a legally-enforceable pledge or property. A gift may be based on a proposal or an application requesting support. The term "gift" also includes grants made with philanthropic intent. By accepting a gift, the University assumes no liability to provide a deliverable, only the obligation to use the gift for the purpose(s) stipulated by the donor. Overall, there will be no reporting requirements. However, periodic reporting and a final accounting could be required by the donor without jeopardizing the classification as a gift. No funding from a governmental entity is considered a gift. Gift solicitation and gift acceptance are coordinated through University Advancement.

A **SPONSORED PROGRAM** is an externally-funded research or scholarly activity for which a formal written agreement is entered into between the University and another entity. The agreement has a defined scope of work or set of objectives, which provide a basis for accountability and the entity's expectations. These agreements are binding and create a quid pro quo relationship, whereby the University provides an economic benefit for compensation. The term "sponsored program" includes 1) contracts and 2) grants awarded without philanthropic intent. Sponsored Programs are administered through the University Office of Contracts and Grants.

**OTHER AWARDS** received by the University may have the charitable intent associated with a gift and other characteristics associated with a sponsored program. In these cases, coordination between University and Advancement and the University Office of Contracts and Grants is required to determine how to classify, process and administer the award. In many cases, these awards are referred to as "grants".

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The following grid of characteristics is provided as a means of further clarifying how funding received by the University should be classified, processed and administered. The existence of one factor alone may not be determinative. Multiple factors should be considered in order to decide if external funds should be classified as gifts or sponsored programs.

	<b>GIFTS</b>	<b>SPONSORED PROGRAMS</b>	<b>OTHER AWARDS</b>
<i>Managing Office</i>	<b>ADVANCEMENT</b>	<b>UDRI</b>	<b>REVIEW REQUIRED</b>
<b>Examples</b>	<i>Endowments, family foundation gifts, scholarship funds, capital projects</i>	<i>Governmental funding, fee-for-service contracts, consulting agreements, sub-awards and sub-contracts</i>	<i>Foundation/corporate grants and sub-awards for specific projects, designated departments or centers</i>
<b>Intent</b>	Philanthropy	Government assistance/Procurement of research or services	To be determined
<b>Purpose</b>	May be unrestricted or restricted to a specific program, current use or endowment	Specific financial and performance terms, usually with rights reserved by funder	Restricted current use
<b>Scope of Project</b>	PI defined work scope and restrictions	Funder defined work scope and restrictions	Funder and PI collaboration or PI-only defined work scope and restrictions
<b>Agreement Type</b>	Funder letter or agreement with limited terms	Cost-reimbursement or fixed price agreement	Agreement with detailed terms & conditions, line item budget, frequently including cost-reimbursement
<b>Timeline</b>	General time limits	Defined period of performance	May have a defined period of performance
<b>Reporting</b>	May have periodic progress reports and expenditure summaries	Specific deliverables, reports and /or milestones	Detailed narrative and financial reports, occasionally with deliverables and milestones
<b>Ownership</b>	N/A	IP, products and deliverables owned by funder	IP, products, and deliverables owned by UD; funder may have exclusive or non-exclusive rights
<b>Terms</b>	Cash transfers are irrevocable	May be terminated or cancelled in whole or in part by either party, as defined in agreement	Revocable in whole or in part, based on terms & conditions
<b>F&amp;A Cost Rates OR Overhead/Indirect Costs</b>	None	Government-negotiated F&A/indirect cost rate	Indirect cost rate to the extent allowed by the funder
<b>Processing of Submissions</b>	Advancement	Office of Contracts and Grants	To be determined
<b>Administration of Funds</b>	Advancement	Office of Contracts and Grants	To be determined

**Note:** Regardless of the nature of contribution, any research project that is undertaken must comply with all regulatory and University of Dayton policies and procedures (including those involving human or animal subjects, financial conflicts of interest, or use of hazardous materials).