Process Guidelines for Policy 7.22
Gift vs. Grant Administration

Overview

This guideline document serves to provide definitions and specific process steps for policy 7.22 "Gift and Grants Administration". All determinations as to whether an award is a gift or a grant should be made in consultation with policy 7.22, and this document as well as the "Checklist for Determining Whether or not Funding is a Gift or Support for a Sponsored Program" can be used to help understand the criteria for those decisions.

It is important to bear in mind that terminology is often used in different ways by different parties. Some sponsor/donors might refer to what we would determine as a gift by the term "grant" and vice versa. Moreover, some of what Emory determines is a grant might still contain charitable components. Determinations of how an award should be administered will based on the terms of the award and how they relate to policy 7.22.

Distinguishing Gifts from Sponsored Projects

A. DETERMINING IF AN AWARD IS A GIFT OR GRANT

1. DISTINCTIONS BASED ON SOURCE OF FUNDS

Any funding provided by U.S. Government agencies, at the federal, state, or local level, in support of Emory activities is treated as sponsored project funding. Government funds are not treated as gifts.

2. DISTINCTIONS BASED ON INTENT OF DONOR/SPONSOR

In remaining cases, e.g., where funding is being provided by corporations, foundations or others not specified above, the distinction between gifts and sponsored projects will be made based on the proposal, statement of work, and terms of the agreement, taking into consideration the intent of the donor/sponsor.

Note that, in some situations, communication, including the proposal and award as well as conversations, makes it clear that the donor's/ sponsor's intent is to classify an award to Emory as either a gift or a sponsored project. In these cases, the terms of the accompanying agreement may have to be adjusted in consultation with the donor/sponsor in order to clearly document the intent and avoid unintended classification.

It can also be the case that some private sponsors, including those who provide gifts to Emory, also have published programs seeking proposals which will be subject to competitive review process for selection. In most such cases, the resulting award will be a grant rather than a gift. As such, investigators should
route their proposals through the Emory Proposal Express system prior to submission to ensure appropriate review prior to submission.

3. DISTINCTIONS BASED ON OTHER CRITERIA

The criteria listed in policy 7.22 above may be used in conjunction with the "Checklist for Determining Whether Funding is a Gift or Support for a Sponsored Project" to determine if an award is a gift or a grant.

B. ADMINISTRATIVE ISSUES

1. DECISION-MAKING PROCESS IN UNCLEAR SITUATIONS

In some cases, the distinction between gift and grant can be difficult to draw. Donors may sometimes use the word "grant" when the donation qualifies as a "gift" or vice versa. When an individual is in doubt about the proper classification and handling of an award to Emory, the Office of Sponsored Programs, the Office of Gift Records, and the development officer for the involved school or unit will confer and resolve the question.

The "Checklist for Determining Whether Funding is a Gift or Support for a Sponsored Project" helps define this process, offices to be consulted, and materials to be reviewed. As described in this checklist, when this determination is not initially clear, personnel should review appropriate documentation and consult with staff within their school representing both the research administration and development functions to determine the appropriate classification and handling of funds. As noted above, donor intent should be abided by at all times.

In those cases where the determination is not initially clear, and where the final determination is to accept the funds as a gift, the completed Checklist is to be attached to the Gift Transmittal Form.

2. DONOR/SPONSOR RELATIONS

In resolving issues related to the classification of an award, Emory personnel must maintain an appropriate balance between the interests and preferences of the donor/sponsor and the University's administrative policies and objectives. In the process of resolving these issues, in some cases it may be necessary to contact the donor/sponsor for clarification of intent and requirements, and/or to discuss the planned use of the funds. Such contacts are usually best handled by the faculty member and/or development officer who initiated the activity and, in some cases, representatives from the Office of Sponsored Programs.

3. FACILITIES & ADMINISTRATIVE (F&A), i.e., INDIRECT COST, IMPLICATIONS
Emory's policy is to apply the University's full applicable F&A (indirect) cost rate to sponsored projects as allowed by the funder. See policy 7.12 "Policy on Research Facilities & Administration Costs" for more details. Gifts/grants from private funders that don’t require sponsored project oversight, are exempt from the University’s F&A cost rate.

4. SCHOOL OF MEDICINE INDUSTRY GIFTS

School of Medicine gifts from the pharmaceutical industry are governed by the "Emory University School of Medicine Policy on Industry and Other External Professional Relationships".

Roles and Responsibilities
Each individual with responsibility for ensuring University endorsement must use the noted criteria and make every effort to guide the agreement to its appropriate location.

Gift Reporting
Unlike financial accountability for sponsored projects, which typically requires detailed line item expense reporting, effort reporting, etc, and is often subject to financial audit, gift reporting does not require formal fiscal accountability to the donor beyond a general periodic progress report and report of expenditures. Gift reports, whether narrative or financial, may be thought of as a requirement of good stewardship, rather than as a contractual obligation.

Financial accountability for sponsored projects is the responsibility of OSP/OGCA. Gift reporting is the responsibility of DAR.

The responsibility for compiling and submitting gift reports is usually the recipient of the funds (e.g., faculty and his/her department), assisted by the relevant DAR Director of Development, usually the person who worked with the recipient to develop the proposal.

When initially receiving funds from any donor requiring gift reporting, the DAR Director of Development will, on behalf of the recipient of the funds, create a suitable schedule for reporting and enter the date(s) on AWA as tasks, with reminders to be sent to the recipient of the funds and the relevant DAR Director of Development, with copies to designated representatives of DAR’s Office of Foundation and Corporate Relations and Office of Stewardship.

At the time when the gift reporting comes due, the DAR Director of Development may seek advice, as needed, from DAR’s Office of Foundation and Corporate Relations and Office of Stewardship, as well as the relevant school/unit business and finance office.

Related Links
- Current Version of the policy Gifts vs. Grants Administration
- Checklist for Determining Whether Funding is a Gift or Support for a Sponsored Project

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