

## Distinguishing Between a Gift or a Sponsored Program

**Effective Date** Tuesday, April 29, 2003

**Status** Final

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**Policy Type** [University](#)

**Contact Office** [Sponsored Programs \(Office of\)](#)

[University Advancement \(Office of\)](#)

**Oversight Executive**

Vice President for Research Vice President for Advancement

**Applies To** Academic Division and the College at Wise.

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### Reason for Policy

Differentiating between gifts and sponsored programs is critical to assuring the appropriate management of awards to the University. This policy identifies characteristics of gifts and sponsored programs to assist University personnel in determining how to handle funds associated with each type of support.

### Definition of Terms

#### Gifts

##### Description

Pledges, outright contributions received from private sources, or activities supported by an external party (i.e., donor) in exchange for which no goods or services are expected, implied or forthcoming to the donor, and in which no proprietary interests are to be retained by the donor.

#### Sponsored Program

##### Description

Any externally funded research, public service, or scholarly activity (including hosting or attending conferences) at the University that has a defined scope of work often including a set of specific programmatic objectives and/or deliverables, and line-item-based budget, providing the basis for sponsor expectations and awardee accountability (i.e., a reciprocal transfer of something of value). Sponsored programs are funded through

agreements that usually include terms and conditions for the disposition of tangible properties and outcomes (e.g., equipment, records, specified technical reports, theses, or dissertations) or intangible properties and outcomes (e.g., rights in data, copyrights, and inventions). **Note:** The terms sponsored program, sponsored project, and/or sponsored activity are often used interchangeably.

## Policy Statement

The language used by a donor or sponsor in providing support is the primary source for making a distinction between a gift and a sponsored program. The appendix to this policy provides an identification and comparison of common qualities and the associated requirements or expectations for each type of support. Whenever doubt exists as to whether a document represents a gift or sponsored program, contact the Office of Sponsored Programs. The Office of Sponsored Programs, in consultation with University Advancement and the unit dean or executive, will make a final determination as to whether the funding in question shall be treated as a gift or sponsored program.

NOTE: The language a donor or sponsor uses to categorize its support might not align with how the award is categorized by the University.

### 1. Responsibilities:

Sponsored programs are generally subject to terms and conditions that require significant attention be paid to use of funds, reporting requirements, and timelines (see [Appendix](#)).

The *Office of Sponsored Programs* is responsible for administration of sponsored programs, including the following:

- Receiving support notices;
- Negotiating initial terms and conditions, as well as subsequent modifications;
- Setting-up the sponsored program in the University's system(s) of record;
- Notifying units of the availability of funds and associated terms and conditions;
- Assuring compliance with sponsor invoicing and financial reporting requirements;
- Serving as the University's point of contact for sponsor-initiated audits; and
- Facilitating or performing institutional internal and external reporting related to the receipt and use of funds from sponsored programs.

The responsibilities of University units receiving sponsored program funds and individuals managing, supporting, or working on sponsored programs are addressed in other University policies. (See [Related Information](#) section, below.)

Gifts are subject to minimal or no restrictions (see [Appendix](#)).

*University Advancement* is responsible for administration of gifts, including the following:

- Receiving support notices;
- Clearly establishing the donor intent and expectations for the use of the funds;
- Assuring that any terms and conditions are appropriate for processing as a gift; and
- Recording the gift for institutional tracking and reporting purposes.

*Financial Reporting and Operations* is responsible for the following:

- Setting-up the gift in the University's system(s) of record; and
- Notifying units of the availability of funds and associated terms and conditions.

*University units* are responsible for the following:

- Spending in accordance with donor directions and limitations regarding use of gift funds; and

- To the extent agreed upon as a condition of the gift, providing reports to the donor (see the Publication and Reporting section of the Appendix).

## 2. **Compliance with Policy:**

Failure to comply with the requirements of this policy may result in sponsor or donor requirements or expectations not being met, potentially causing reputational damage and loss of current or future support. Intentional violation or circumvention of this policy may result in disciplinary action up to and including termination or expulsion in accordance with relevant University policies.

Questions about this policy should be directed to the Contact Offices.

## **Related Information**

[BOV-008: Relationship with University-Associated Organizations \(formerly known as University-Related Foundations\)](#)

[EXT-008: Acceptance, Receipt and Acknowledgement of Gifts](#)

[FIN-009: Facilities & Administrative Rate Application and Exception Process](#)

[FIN-017: Consistent Treatment of Sponsored Program Costs](#)

[FIN-027: Time and Effort Certification](#)

[FIN-028: Minimum Effort on Sponsored Program Activities](#)

[FIN-036: Signatory Authority for Executing University Contracts](#)

[FIN-043: Managing Export and Sanction Compliance in Support of University Activities](#)

**Major Category** [Finance and Business Operations](#)

**Next Scheduled Review** Tuesday, March 19, 2024

### **Revision History**

Confirmed 3/19/21; Revised 4/13/18.

### **Category Cross Reference**

[Research Administration](#)

**Approved By** Executive Vice President and Chief Operating Officer

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