

Sonoma State University
Gift vs. Grant Guidelines
Office of Research & Sponsored Programs
Division of University Advancement

Background and Context

On behalf of the faculty and the University and in accordance with the Integrated CSU Administrative Manual (ICSUAM) section 11000, the Office of Research and Sponsored Programs (ORSP) is charged with pursuing, accepting, and administering a range of grants and contracts in support of faculty research, education, service and outreach activities of the University.

University Advancement is charged with pursuing and accepting gifts and philanthropic donations in support of the broad educational mission of the institution.

The following guidelines aim to clarify roles and responsibilities to aid in the pursuit of the gift vs. grant determination. No single indicator is, by itself, a characterization of a gift or a sponsored agreement. All factors must be weighed to make a final determination. When issues arise, the Vice President for Advancement is to be consulted.

Generally speaking, all federal, state and municipal applications for funding are sponsored agreements and are routed through the Office of Research and Sponsored Programs.

With regard to corporate or private foundations, the routing may be less clear. When a competitive call for proposals is issued by a private funder, ORSP is involved. When a case statement or proposal is prepared for submission to a private funder, University Advancement takes the lead.

Definitions

Gifts: University Advancement is the campus unit authorized to accept and administer gifts which, as defined by the Council for Advancement and Support of Education (CASE) standards, are, *“A contribution received by an institution for either unrestricted or restricted use in the furtherance of the institution for which the institution has made no commitment of resources or services other than, possibly, committing to use the gift as the donor specifies.”*

It is the University’s practice to process gifts through Sonoma State University, with the exception of endowment gifts, a gift of securities/stock, pledges, or employee payroll donations, which are processed through the Sonoma State University Foundation.

Sponsored Agreements: According to ICSUAM 11000, sponsored agreements are grants and contracts. Grants are defined as *“... a financial contribution to a Recipient to carry out an approved project or activity. A Grant generally anticipates no substantial programmatic involvement of the Sponsor with the Recipient during performance of the project or activity, but Sponsors usually request an accounting of the use of funds and of results of the project or activity. The University or Auxiliary may commit resources or services as a condition of the Grant.”* Further, ICSUAM 11000 notes that a contract is defined as *“... an agreement between the University or Auxiliary and a Sponsor to provide an economic benefit, generally in the form of services, for compensation. The agreement is binding and creates a quid pro quo relationship between the parties.”*

ICSUAM 11000 also stipulates that *“...proposals for sponsored programs shall not be submitted to the sponsor without prior written approval of the president’s designee and of the chief financial officer...”*

Gift vs. Grant Decision Chart

Reminder: The following guidelines aim to clarify roles and responsibilities to aid in the pursuit of the gift vs. grant determination. No single indicator is, by itself, a characterization of a gift or a sponsored agreement. All factors must be weighed to make a final determination.

CATEGORY of INDICATOR	GIFT INDICATOR	SPONSORED AGREEMENT INDICATOR (i.e. grant or contract)
Source of Funds	Individuals Foundations Non-profit organizations Corporations Corporate foundations Donor Advised Funds	Government agencies (federal, state, local) Foundations Non-profit organizations Corporations Corporate foundations Other universities
Sponsor Intent/ Purpose	The donor may specify an area of interest or a goal to be funded. Funds are provided in the spirit of philanthropy. Funded activities may include endowments, scholarships, capital projects or general student financial assistance. Frequently gift agreements specify intent and interests of the donor and the institution.	The sponsor specifies how the funds should be used as outlined in the supporting documentation (i.e. proposal, award letter, grant agreement). Generally, the sponsor provides funding with the intent to accomplishing something specific. Activities to be performed may include research, instruction, curriculum development, training or services. Generally speaking, all federal, state and municipal applications for funding are sponsored agreements and are routed through the Office of Research and Sponsored Programs.
Mission of and benefit to funder	Items are directly related to the university's mission, while only indirectly related to the donor's business.	Items are directly related to the funder's business activities and may or may not be directly related to the university's mission. <i>(i.e. organizations with a specific mission such as Intel Corporation)</i>
Value Exchange	The donor receives no or nominal value in exchange for the funding provided other than recognition. No deliverables (reports or IP rights) are provided to the donor in exchange for the funding. However, a brief summary of the results of supported activities and/or a general statement of how funds were used may be provided.	The sponsor is entitled to receive value, which may include reports, data, results, intellectual property (IP) rights, publication rights, etc.
Scope of Work (SOW)	The donor expresses support of the general goal of an activity with frequently no expectation on specific implementation.	The sponsor approves the proposed implementation plan set forth in the proposal and requires notification of changes in the scope of work.
Budget	There is no requirement for a line item budget or restrictions on the use of the funds other than it must be consistent with the stipulations of the donor. F&A/Indirect Costs are often not included in the request, but an administration fee or some other form of reimbursement for administration is often appropriate (ex. 5% gift fee).	The request for funding includes a detailed, line-item budget describing how the funds will be used, and there are often specific restrictions on how the funds can be used. Per University policy, F&A/Indirect Costs at the approved campus rate are included on all proposals except when the sponsor mandates a lower rate.
Effort	Commitment of effort by specific university personnel cannot be a component of the budget.	Effort by university personnel is outlined in the budget and must be tracked and reported to the University.

Funding and Use of Excess Funds	Funding typically received upfront. Revenue recognized as received/committed. (Revenue based) Unspent funds do not have to be returned.	Funding typically recognized/reimbursed as it is earned. (Expense based) Unspent funds must be returned to the sponsor. <i>Exception: fixed price agreements.</i>
Penalty for Non-Performance	No penalties are incurred for failing to use all the funds.	There may be penalties for failing to use the funds or deliver items or meet project goals on a timely basis.
Proposal Process	Initiated by donor, advancement staff or a faculty member. If submitting to a private foundation or a corporation, notify the appropriate Sponsored Research Officer in the Research Administration office to the submission.	Initiated by a faculty member or other campus administrator working in conjunction with the Research Administration office. If submitting to a private or corporate foundation or a corporation, notify the Development Office of the submission.
Award Document Naming	Letter of Donation Gift Agreement Grant Agreement Gift receipt / IRS tax acknowledgement letter expected from the university.	Award Letter Grant Agreement Contract Subaward/subcontract Cooperative Agreement No gift receipt / IRS tax acknowledgement letter is produced by the university.
Authorizing signature	Signature by University Advancement official acknowledges intent to receive funds by donor. If a development activity results in a sponsored agreement, the ORSP office must be alerted and appropriate University signatures must be obtained in accordance with ICSUAM 11000.	Signatures of the president's designee (i.e. AVP for Research and Sponsored Programs) and the CFO/VP for Administration and Finance (or designee) must be obtained before submission of grant or contract proposals to the sponsor. Award documents require a signature from an authorized official binding SSU to the terms and conditions of the proposed project in accordance with ICSUAM 11000.
Reporting	The institution provides regular and sometimes scheduled reports for donor stewardship.	Specific technical and/or fiscal reporting is required, and requirements for retention of records may also be specified.

Contacts:

Steven Karp
Associate Vice President
Office of Research & Sponsored Programs
Sonoma State University
1801 Cotati Ave
Rohnert Park, CA
T 707-664-3715
karpst@sonoma.edu

Ian Hannah
Assistant Vice President Advancement Operations
University Advancement
Sonoma State University
1801 Cotati Ave
Rohnert Park, CA
T 707-664-4041
ian.hannah@sonoma.edu