

UWG Foundation, Inc. (Foundation) – Gift vs. Grants

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Governance Oversight by: UWG Foundation, Inc. (Foundation) Executive Committee and Resource Development Committee

I. Purpose

The University of West Georgia Foundation, Inc. (Foundation) exists in order to support the University of West Georgia in its mission to provide excellent higher education to its constituencies. Private philanthropic support depends, in part, upon the confidence donors have in the Foundation's commitment to sound fiduciary management of funds. Funding, particularly when received from a non-profit entity (i.e., foundation, corporate foundation, private organization, or corporation), is sometimes difficult to classify as a gift or grant.

The definitions provided below are intended to clarify the differences between “Gifts” and “Grants.” Additionally, the Table of Indicators below may be helpful in classifying unclear awards.

II. Definitions

Gifts

A gift is the voluntary, non-reciprocal transfer of money or property from a donor to an institution. The donor may be an individual, a corporation or a non-profit organization. The donor does not expect anything of value in return other than recognition and does not have control over expenditure of the funds. A gift may meet the interests of the donor and can be restricted or unrestricted. A restricted gift is a contribution designated for a specific purpose, program or project. If the donor does not specify any restrictions, the gift is unrestricted and the institution allocates the funds at its own discretion. Only the Development Office may accept gifts on behalf of the University.

Grants

A grant (aka, sponsored program funding, award) is the transfer of money or property from a sponsor to an institution that may require performance of specific duties such as research, budget reports, progress reports, and return of unused funds.

Any funding provided by U.S. Government agencies, at the federal, state, or local level, in support of UWG activities is treated as a grant. Government funds are not treated as gifts. Funding from voluntary health organizations or associations, such as the American Cancer Society or American Heart Association is usually treated as a grant and not a gift.

UWG Foundation, Inc. (Foundation) – Gift vs. Grants

If the characteristics of the funding fall within both categories, the following factors should be taken into consideration for determining whether it is a gift or a grant. The presence of any single factor does not represent the condition of gift or grant. To determine if a transaction is a gift or a grant, all of these factors should be considered simultaneously. In cases where there is a question as to whether an activity for which external funding is sought constitutes a grant or a gift, the Office of Research and Sponsored Projects (ORSP) will work with the Development Office to determine what procedures should apply.

III. Applicability: This policy applies to all faculty, administrators and staff.

IV. Exceptions

Inevitably, there will be situations when the classification of a sponsored project or gift will be unclear. When such situations arise, contact the Executive Director for Development for clarification.

V. Policy Statement

In order to make the most accurate decision between what is a grant and what is a gift, all components of information related to the gift/sponsored project should be reviewed by the PI and any other participant that may be appropriate to be a part of the decision-making process. Internally, this may include administrative leadership, Development representatives, the Faculty or Staff Primary Investigator (PI), department or college administrator, and staff from the Office of Research and Sponsored Projects (ORSP).

The review should be discussed with ORSP, which, in collaboration with the Development Office, will consult to make final determinations. In cases where there is a question as to whether an activity for which external funding is sought constitutes a grant or a gift, a determination will be made that will be in accordance and compliance with Generally Accepted Accounting Principles (GAAP).

ORSP and the Development Office, when making the determination, may seek clarification, question a decision, ask for justification, or solicit additional documentation to ensure that the donor's/sponsor's intent is honored. Back-up documentation should reside in ORSP and/or the Development Office.

UWG Foundation, Inc. (Foundation) – Gift vs. Grants

FACTOR	GIFT INDICATOR	GRANT INDICATOR
Source	Individuals Non Profit Organizations Corporations Corporate Foundations Other Organizations , such as Donor Advised Funds Family or individual foundations are generally treated as individuals.	Government Agencies Non-Profit Organizations Corporations Corporate Foundations
Purpose	The donor may specify an area of interest or a goal to be funded by with their gift.	The sponsor specifies how the funds should be used, as outlined in supporting documentation (award letter or grant agreement)
Value Exchange	No implicit or explicit value is exchanged other than recognition.	No implicit or explicit value is exchanged other than recognition and/or reporting.
Reporting	The institution has little or no obligation to report to the donor on how the gift is used or invested. The institution is not prevented from providing such reports, but rather uses the opportunity for donor stewardship. Required reporting is limited to details of how, when and to whom funds were disbursed as well as statements of earning when applicable.	The sponsor requires performance of specific duties such as research, budget reports, progress reports, and return of unused funds.
Proposal Process	Initiated by donors, advancement staff or faculty members.	Initiated by sponsor, advancement CFR staff or faculty members (working together with ORS and CFR).
Document	Letter of Donation/ Gift Agreement	Award letter and/or Grant Agreement
Deadline/Terms	Typically no time period is associated with the use of funds.	Typically requires a specific time period for conducting projects.
Excess Funds	N/A	May be required to return to sponsor.
Penalty for non performance	No penalties for failing to use the funds.	Penalties may exist for failing to use the funds or to deliver the items on a timely basis.
F&A (Facilities and Administrative)Cost Rates*	None	F & A Cost Rates* as defined by DHHS and administered by SPA.