
SUBJECT: REVIEWING AND ACCEPTING GIFTS

1.0 DEFINITIONS

- 1.1. What is a gift: A gift is defined as a voluntary transfer of items of value from a person or organization where no material amount of goods or services are expected, implied, or provided to the donor. Gifts normally take the form of cash, checks, securities, real property, or personal property and may be restricted or unrestricted to a general area of use that benefits the College or one of its components. Once the College has accepted the gift, it becomes Foundation/College property, and the donor has no further direct decision-making power regarding the gift. A gift will generally exhibit the following criteria:
 - a. A gift is motivated by charitable intent.
 - b. Gifts are irrevocable, and the College is not expected to return all or part of the gift. In the event the Foundation/College is unable to comply with donor intent, or if the gift was directed to the Foundation/College in error, a return of the gift may be issued at the Foundation or the College's discretion. Approvals for such returns are made by the Vice President for Finance of the College or designee, in consultation with the Advancement Director or designee.
 - c. A gift agreement or best practices may require the recipient unit to report on expended funds and balances as well as provide stewardship reports to the donor that share evaluation information about the project, explain how the gift was used, and/or describe the impact of the gift.

- 1.2. What is not a gift: A sponsored contract, sometimes called a grant or a contract is not a gift. It is a payment to the College for a specific project that binds the College to a specific scope or area of work. There is always a signed, legally enforceable document involved. If the document includes the following attributes, it is probably a contract and not a gift:
 - a. The source of the payment is a government agency.
 - b. Deliverables with substantial return benefit are defined and required by agreement. (Substantial return benefit is a quid pro quo, something of non-incident monetary value provided in exchange for an award or payment. Examples of deliverables with substantial return benefit include a product, intellectual property rights, or a formal technical report or training program primarily benefiting the sponsor.)
 - c. Primary benefits are to the sponsor.
 - d. Patent rights or copyrights belong to the sponsor.
 - e. Compensatory damages can be assessed.

f. A requirement for detailed financial report beyond a simple accounting of how the money was spent and other record retention or a provision for an audit. There is a limitation on the use or publication of project data beyond the donor simply wanting recognition for the gift.

g. A requirement for disposition of property, whether tangible or intangible that may result from the project (equipment, inventions, copyrights, etc.).

h. Authority over the project resides with the sponsor rather than with the College.

i. Unused funds must be returned.

2.0 GIFT OR SPONSORED PROJECT INDICATORS

2.1. In some cases, particularly where funding is provided by a non-profit entity, it may be difficult to distinguish between a gift and a sponsored project.

2.2. If, after reviewing definitions and considering the intent of the source of funding and nature of the agreement in question, there remains a question about the proper classification of an award, the following list of indicators may be helpful. This collection of indicators should be viewed as a continuum. Placement toward one side or the other, taken together with the analysis of the source of funds and the terms of the agreement, should help to classify questionable awards.

GIFTS	SPONSORED PROJECTS
For a general or specific purpose, e.g., endowment, capital projects, faculty support or student financial aid.	For a specific statement of work, e.g., specified protocol, experiments, testing of hypotheses, particular line of inquiry.
May be for any activity at the College, e.g., department, library, scholarship, facilities, instruction activities, etc.	Usually for a specified research project but may be for instruction, other sponsored activity.
The project does not include research risk items. *	Project scope of work includes research risk items that require compliance monitoring, including, but not limited to: human subjects, vertebrate animals, conflict of interest, etc.
Few, if any, deliverables (other than reports as noted below, and use of funds as requested and awarded).	Deliverables defined by agreement, e.g., reports, research results, IP rights, equipment, etc., and funds may be withheld pending delivery.

Publication attribution may be encouraged or agreement may be silent on attribution.	Publication attribution required, usually with credit to sponsor.
Proposal may be informal or formal and detailed.	Sponsor requires formal and detailed proposal and/or contractual agreement.
Often require only general stewardship and communication as a courtesy to donor, e.g., progress reports, reports of expended funds and balance.	May require detailed financial and other reports, e.g., scientific reports, invention reports.
Typically no requirement for return of unexpended funds.	Budgets and project period may lead to unexpended funds that must be returned if no approval to carry forward or extend project.
No required pre-approvals for expenditures.	Some expenditures may require prior written approval by sponsor.
Some gifts may be combined into one fund (if same purpose).	Must be separately budgeted and accounted for.
Qualifies for tax treatment as charitable contribution.	May qualify for basic research tax credit for sponsor.
No obligation or agreement to share data with donor, donor willing to sign gift agreement relinquishing intellectual property and data rights to College. Donor may request progress reports as noted above.	Donor expects access to data, primary records, or has ability to audit data collection.

** Research Risks: If the agreement is determined to be a gift (by decision of the Department and the Advancement Office), but contains research risk item(s), the faculty member and department are responsible for maintaining compliance in conjunction with institutional policies. Automatic notices for research risk items are not generated for gifts.*