

**UNIVERSITY OF LOUISIANA AT MONROE
POLICIES AND PROCEDURES MEMORANDUM**

<i>Title:</i>	GIFT VS SPONSORED PROGRAM POLICY
<i>Effective Date:</i>	10/13/2008
<i>Update Responsibility:</i>	Academic Affairs
<i>Update Date:</i>	NONE
<i>Cancellation Date:</i>	NONE

1) PURPOSE/PREAMBLE

This policy serves as a guide for faculty and staff members to clarify types of revenues. The distinction between gifts and sponsored programs can be subtle. Questions regarding whether revenue is a gift or sponsored program should be directed to ULM's Office of Sponsored Programs and Research (OSPR).

2) DEFINITIONS

- a. Contract refers to a legal document that specifies the scope of work, period of time, and amount of revenue in consideration for a deliverable (final report, data analysis, etc).
- b. Cooperative Agreement refers to an award that is similar to a grant; however, the sponsor is actively involved in the research activities.
- c. Gift refers to a voluntary and irrevocable transfer of money, services or property from a donor with no or limited specified conditions. Gifts may establish endowments or provide support for existing programs, such as scholarships or capital campaigns.
- d. Grant refers to an award that does not hold the grantee (ULM) to a rigid work plan. Generally, grants are more intellectually flexible than contracts and cooperative agreements.
- e. Sponsored Programs refer to grants, contracts and/or cooperative agreements. Sponsored programs have characteristics that distinguish them from gifts such as: statement of work, detailed financial accountability and specified deliverables. These agreements are enforceable by law and require performance within a specified period.

3) PROCEDURES

In making the determination regarding whether revenue is a gift or a sponsored program, OSPR will consider the following factors. It is important to note that revenue may have characteristics from both categories; thus, OSPR will consider all factors to make a final determination, especially the mission of the funder, value of exchange, scope of work and penalty for non-performance.

- a. Sponsored Programs have one or more of the following characteristics:
 - i. The award is a contract, cooperative agreement, consortium agreement, grant, sub-grant or subcontract.
 - ii. The awarded money or property is for the purpose of research, program development, training, public service, or some other specific activity.
 - iii. ULM is awarded money or property in response to a submitted proposal.
 - iv. The monies are from a governmental agency (direct or flow-through funds).
 - v. The monies may be from a non-profit, foundation or corporation.
 - vi. The money or property is to match a government-funded project.
 - vii. The award is to achieve a specified scope of work or product, service or other expected results within a specified period of time.
 - viii. The activities involve the use of ULM's facilities or other resources.
 - ix. The sponsor requires external audits, detail financial reports, invoices and/or technical status reports as a condition of the award.

- x. The sponsor stipulates a variety of other terms and conditions, such as publication restrictions, pre-approval of changes, rights to tangible and intangible assets, compliance with federal and state regulations, allowable and unallowable costs, subcontracting, insurance, indemnification and hold harmless clauses, protection of proprietary or confidential information, modifications, right to revoke the award, penalties, remedies, return of unused funds, termination, etc.
- b. Gifts have some or all of the following characteristics:
 - i. Donor refers to the award as a gift, donation or contribution and intends the award to be a charitable gift as reflected by the absence of any quid pro quo (something for something).
 - ii. The award is from a non-governmental source and is given for such activities as endowments, capital projects, general student financial assistance or other general operations of the University/Foundation.
 - iii. The award has few terms beyond specifying general intent. Any conditions or stipulations placed on the use of the award are reasonable and serve only to direct the award to support the desired area of interest of the donor.
 - iv. The award is irrevocable and, therefore, the donor relinquishes the rights to reclaim the award or any unused portion.
 - v. No financial, technical or progress reports are required. However, courtesy, non-technical reports may be supplied.
 - vi. The donor makes the award to the University/Foundation without expectation of direct economic or other tangible benefit commensurate with the value of the award. Indirect benefits such as tax advantages, business or personal goodwill, and benefits derived from donor club status are of an immaterial nature and not sufficient to negate the gift intent.

Policy References:

Research Administration and Management. [edited by] Elliott C. Kulakowski and Lynne U. Chronister. Jones and Bartlett Publishers. Sudbury, MA. 2006.
New York State Society of CPAs' website: Accounting Terminology Guide

Review Process:

Academic Affairs
Academic Deans

Distribution:

Academic Deans
Controller
Budget Officer
Vice President for University Advancement and External Affairs
Vice President for Business Affairs