



**7A-32                      GIFTS VS. GRANTS DETERMINATION**

**Responsible Executive:** Gary K. Ostrander, Vice President for Research

**Approving Official:** Gary K. Ostrander, Vice President for Research

**Effective Date:** November 21, 2018

**Revision History:**

**I. INTRODUCTION**

The FSU Research Foundation (FSURF) and the FSU Foundation will jointly determine the proper classification of funds received from an outside entity. This determination will be made utilizing the criteria outlined in this policy and will govern where the funds shall be administratively setup and managed. Funds received and determined to be gifts will be administered through the FSU Foundation and funds received that are determined to be grants will be administered through the FSU Research Foundation (FSURF). The decision as to whether particular funds should be considered a gift or a grant cannot be made based upon the presence or absence of a single characteristic or criteria. Rather, one must look at the intent in order to make a judgment as to the proper classification.

**II. POLICY**

Applicability:

This policy applies to funds received from any private source (individuals, foundations, industry, etc.). Funds received (directly or pass through) from any governmental source (federal, state, local or otherwise), another university or foreign entity are administered by Sponsored Research Administration and are not considered gifts.

Grants vs. Gift Determination:

Grants administered by FSURF are not always purely research-driven and may have some philanthropic components to them.

Funds received will be administered through FSURF as grants if there is an agreement that includes the following:

- a. The agreement commits the University to a specific line of scholarly or scientific inquiry, documented by a research plan or statement of work. \*\*A gift may restrict the use of the funds to a general purpose (e. g. research of Dr. X or research related to the subject of X);



- b. A specific commitment by the University is made regarding the level of personnel effort, deliverables or milestones;
- c. The agreement requires alignment with a detailed line-item budget, formal fiscal reports/audits, invoicing, and/or sponsor prior approval of or control over expenditures;
- d. The agreement requires that unexpended funds be returned to the sponsor at the end of a project period;
- e. The agreement provides for the disposition of either tangible property (e.g. equipment, records, technical reports, theses or dissertations) or intangible property (e.g., inventions, copyrights or rights in data) which may result from the project;
- f. The agreement includes terms relevant to one or more of the following: confidentiality, publication, copyright, patent rights, liability insurance, regulations, allowable costs, subcontracting, or any other type of contractual term.
- g. The agreement requires compliance in the areas of human subjects, lab animals, hazardous materials, and/or export controls.

Funds received as a gift and will be administered through the FSU Foundation if they meet none of the requirements above and:

- a. There are no contractual requirements imposed. (However, the use of funds may be restricted to a particular purpose);
- b. The donor does not maintain control over expenditure of the funds and does not receive any personal benefit in exchange for the gift.
- c. The donor expects nothing of value in return beyond recognition and adherence to any restrictions and general programmatic and/or financial reports;
- d. There is no requirement to return unexpended funds to the donor.

The appropriate classification should be determined via close collaboration between the FSURF grants administration staff and the FSU Foundation Corporate and Foundation Development staff, particularly if the agreement contains requirements applicable to both a gift and a grant. If the appropriate classification cannot be determined, it should be forwarded to the Vice President for Research (or designee) and the Vice President for University Advancement for final determination. Regardless of whether the funds are considered a grant or a gift, if the project involves research, it will be subject to the research compliance process.

Reporting of funding agreements:

While some agreements may be issued by donors with restrictions that designate the funds as a grant (requiring administration through FSURF), they may still be appropriate to be reported as a philanthropic gift by FSU Foundation (per Section 7.0 of FSU Policy 8-



1: Gift Acceptance and Counting Policies). This determination will be made by the FSU Foundation.

**III. LEGAL SUPPORT, JUSTIFICATION, AND REVIEW OF THIS POLICY**

State of Florida Statute 1004.22

FSU Policy 8-1: Gift Acceptance and Counting Policies

This policy will be reviewed periodically and updated when changes are necessary.

/s/ Gary K. Ostrander

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[Proof of approval retained in file]