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**Gifts vs. Sponsored Project**

## Sponsored program offices, faculty, grant-makers, and development staff often use the terms “gift” and “grant” with different meanings. At UD, the term “gift” has come to mean funding that is processed and administered by Development & Alumni Relations (DAR) while “grant” or “sponsored project" has come to mean funding that is processed and administered by the Research Office (RO). Funding processed by the RO may still be considered a charitable gift according to tax law. As determined by the Federal Tax Code, charitable gifts are voluntary donations to a tax-exempt organization [such as UD] exclusively for “religious, charitable, scientific, testing for public safety, literary, educational, fostering of amateur sports, and prevention of cruelty to animals and children” purposes. However, if a donor or entity provides funding and receives sole or partial ownership of any products or results intended to yield commercial gain (unless used for charitable purposes), it is not a charitable gift. An exchange transaction that could have commercial benefit or provide profit that does not support charitable purposes is also not a charitable gift.

## The following criteria help to identify which UD office (DAR or RO) should administer and process funds but do not have any impact on determining whether funding is a charitable gift or not: scope of work, budget, financial reporting, regulatory approvals, tangible property disposition, signed agreement, timeline, deliverables, insurance or indemnification requirements, ownership or licensing of intellectual property, or return of unexpended funds.

## Please complete the checklist below to determine if a funding transaction is to be processed and administered by DAR or the RO. Answer all nine questions and include comments whenever necessary. To use this form, review all the documentation associated with the funding for indications that will help you to determine whether the funding should be a sponsored project or a gift. Documentation may include some or all of the following items: Statement of Work/Project Description, Proposal or Letter of Intent (including budget), Award Letter, Correspondence from the funding source.

 **Checklist for Determining Whether Funding is a Gift or Support for a Sponsored Project**

PI/Recipient: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Dept: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Sponsor/Donor: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
 Foreign: [ ]  Yes [ ]  No

Project Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Amount: $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Funding Source:**  **YES NO**

1. Does the funding originate from the US Government (Federal, State, or local level)? [ ]  [ ]

***This includes fundings that ‘flow’ through a corporation and/or industry.*** If YES, this is a Sponsored Project.

Comments:

1. Is the funding provided by an individual (not an organization)? If YES, this is a gift. [ ]  [ ]

Comments:

1. Was the individual recipient of the funds (who will receive financial gain in the form of a stipend,

scholarship, or the like) selected by the donor? If YES, this is a Sponsored Project. [ ]  [ ]

Comments:

**If None of the above are ‘Yes’, ANSWER the questions below:** **YES NO UNCERTAIN**

1. Does the funding agreement require detailed financial reporting beyond a summary report of [ ]  [ ]  [ ]

expenditures (i.e., line-item detail, percentages of effort), is it auditable, and/or does it require

the return of any unexpended funds at the end of a designated period (i.e., start and end dates)?

Comments:

1. Does the funding agreement allow the University to be penalized for non-performance? [ ]  [ ]  [ ]

Comments:

1. Does the project commit the University to a specific line of scholarly or scientific inquiry, typically [ ]  [ ]  [ ]

documented by a research plan or statement of work?

Comments:

1. Is a specific commitment made regarding the level of personnel effort, deliverables, milestones or [ ]  [ ]  [ ]

line-item budget?

Comments:

1. Does the funding agreement include terms and conditions for the disposition of *tangible* property[ ] [ ] [ ]

(i.e., equipment, records, technical reports, theses, dissertations, or other deliverables)?

Comments:

1. Does the funding agreement include terms and conditions for the disposition and/or ownership of [ ] [ ] [ ]

*intangible* property (i.e., intellectual property, rights in data, copyright)?

Comments:

**Check one box below and process accordingly:**[ ]  **Sponsored Project:** If you answered ‘Yes’ to Question 1, 3 or **any** of the responses from 4 to 9 are ‘Yes’, this indicates the funding is
 for a Sponsored Project. Keep the completed checklist on file and funds will be processed through the RO. Please reach out to your assigned
 Contract & Grant Analyst.

[ ]  **Gift:** If you answered, ‘Yes’ to Question 2 or if **all** the responses from questions 4 to 9 are ‘No’, this indicates the funding is a
gift. Keep the completed checklist on file and complete a Gift Transmittal Form, along with a Gift Commitment Document (ex: Gift Agreement/Letter of Intent) and send it to the Office of Gift Administration & Processing, DAR with any other relevant documents.

[ ]  **Uncertain:** If you cannot determine with certainty, review with DAR and the RO (contact your assigned Contract & Grant Analyst).

**Final Determination:** [ ]  Gift [ ]  Sponsored Project Determined by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_