GIFTS VS. GRANTS OR OTHER SPONSORED AWARDS

I. Purpose

Funding from outside sources is critical for the University to accomplish its academic and service mission. Correctly classifying external support as gifts or sponsored awards consistently across all campuses, departments, and units is important for several reasons. There are often differences in how gifts and sponsored awards should be budgeted and accounted, as well as differences in external reporting requirements, where the funds should be held, how the expenditure of the funds should be monitored, who should be responsible for complying with any obligations the recipient may incur as a result of the award, and which legal compliance requirements apply. Appropriate designation of gifts and sponsored awards is required for academic oversight and accountability consistent with the University's mission.

II. Definitions

A. Gift. A gift is an irrevocable contribution that a donor makes to the University with no expectation of receiving something of value other than recognition of the gift. Gift can either be used, or they can be restricted to a specific purpose. Sharing information or seeking occasional, nonbinding donor input are common forms of donor stewardship and engagement, but never to the extent that the donor may retain control over the funds.

B. Sponsored Award. Sponsored awards (such as grants or research contracts) reflect an expectation that the University will carry out a program plan, which may include providing deliverables such as data, technical reports, intellectual property, or training. Sponsored awards may involve an application or proposal; a statement of work or research plan; consequences for nonperformance; the return of unexpended funds at the end of the project period; and fiscal accountability and reporting beyond those required as part of good stewardship. The exercise of control over the direction, oversight, or administration of the funds after the making of an award is another attribute of a sponsored award.

III. Policy

A. Classification. All external support shall be properly classified as a gift or sponsored award prior to acceptance by the University. In making the determination, a donor or sponsor's use of the term "gift," "award," or "grant" shall not be dispositive. When a question arises about the proper classification and handling of an award to the University, the departments responsible for advancement, sponsored research, and finance shall confer to resolve the question. The Office of the General Counsel shall also assist in making the determination as

needed. Questions regarding the appropriate classification should generally be resolved early in the funding process (i.e., at the application or proposal stage). If the classification remains uncertain, the chief executive of the campus, division, unit shall have final authority to classify an award as a gift or a sponsored award.

B. Legal Review. Sponsored awards shall generally be reviewed by the Office of the General Counsel prior to execution. Unmodified form agreements approved by the Office of the General Counsel—including templates utilized by federal funding agencies—may be utilized to the extent consistent with Board Policy 300.1 and UASP 300.1.

C. UA Foundation. Although the University of Arkansas Foundation, Inc., receives gifts for the benefit of the University, it should generally not be designated as a recipient of a sponsored award. The UA Foundation does not provide accounting, reporting, or other support for sponsored awards. Campuses, divisions, and units should seek the approval of the UA Foundation prior to submission of a proposal or application which seeks to use the UA Foundation's tax identification number or non-profit status. University employees are not authorized to bind the UA Foundation to any agreement contemplating a sponsored award. If the classification of external support as a gift or a sponsored award is in question, the UA Foundation may require supporting documentation of the determination from the campus, division, or unit.

C. Campus Policies. Campuses, divisions, and units may enact more detailed provisions that are consistent with this policy.

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