Standard Operating Procedures & Policies

Category:	Awards
Procedure No.:	400.03
Title:	Gift versus Grant Determinations

I. Purpose & Overview

When an award is received from a corporate, foundation or non-profit sponsor, it is sometimes difficult to determine whether the award is a gift or a sponsored project.

The purpose of this Standard Operating Procedure is to provide guidance on how the University will determine whether an award is a gift or sponsored project.

II. Procedure

When uncertain as to whether an award is a gift or sponsored project, first consult the ORSP guide "What is a Sponsored Project? Processing Private Sector Support for Higher Education."

If the distinction is still unclear, then the following process should be observed:

1) The Project Team must:
   a. Create a Proposal Approval Form (PAF) in the eResearch Proposal Management System (eRPM):
   b. Enter the total budget as direct costs only on the PAF. No detailed budget is required.
   c. Attach the award documentation and any pre-award documents (e.g., proposals).
   d. Add the following comment in Question 6.2.3 "Other Instructions for ORSP" on the Submission Information section of the PAF: "Please review the attached to determine whether ORSP or the Office of University Development (OUD) should process this award."

2) When the PAF reaches the school/college/institute/unit level during the PAF routing and approval process, the school/college/institute/unit approver must:
   a. Post a Comment to the PAF stating that, "If this award is deemed to be a sponsored project, the PAF will be returned for revision to determine the appropriate Facilities & Administrative (F&A) costs."
   b. Request that the award be reviewed to determine whether it is a gift or sponsored project by Posting a Comment to:
      i. the ORSP Associate Director,
      ii. the appropriate ORSP Managing Project Representative (PR),
      iii. the ORSP PR assigned to the administrative home of the PAF (if known), and
      iv. the OUD Executive Director of Foundation Relations and Program Initiatives.

3) The assigned ORSP PR and Associate Director (or Managing PR in his/her absence) will:
   a. Review the documents attached to the PAF.
   b. Use ORSP's webpage "What is a Sponsored Project? Processing Private Sector Support for Higher Education" as a guidance document.
   c. Consult with OUD's Executive Director of Foundation Relations and Program Initiatives as necessary.
   d. Determine whether the funding should be processed as a gift through the OUD or as a sponsored project through ORSP.
   e. Post a Comment on the PAF to the Project Team and the school/college/institute/unit approver(s) indicating the outcome of the "Gift vs Sponsored Project" determination.

4) If the award is determined to be a gift:
   a. The Project Team will Cancel the PAF.
   b. The Project Team will follow the established procedures of their school/college/institute/unit for gift recognition and stewardship.

5) If the award is determined to be a sponsored project:
   a. The assigned ORSP PR will leave the PAF in a pre-submission state for further action.
   b. The school/college/institute/unit approver(s) will inform the Project Team of the appropriate F&A cost rate to use, and request that the Project Team revise the PAF accordingly. (The PAF will then be in the state of "Unit Review – Project Team Making Changes").
   c. The Project Team will revise the award budget to include the appropriate F&A costs, complete any outstanding data fields on the PAF, and follow the established procedures of their school/college/institute/unit for finalizing and routing a PAF as normal.

III. Resources

ORSP Website: http://www.orsp.umich.edu/
ORSP Guide: "What is a Sponsored Project? Processing Private Sector Support for Higher Education."

Version No. 1	Implementation Date: 07/27/2018
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