

**University of Michigan
Office of Research and Sponsored Projects**

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 5.18 "Notes for ORSP" on the Routing Instructions section of the PAF: "Please review the attached to determine whether ORSP or the Office of University Development should process this award."

- 2) When the PAF reaches the school/college/institute 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 indirect 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 Executive 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 Executive Director (or Managing PR in his/her absence) will:
 - a. Review the documents attached to the PAF.

Version No. 1	Implementation Date: 07/27/2018
Page - 1 -	Last Revised Date: 07/27/2018
Approved by: C. Reynolds, ORSP Executive Director	Last Revised By: N/A

**University of Michigan
Office of Research and Sponsored Projects**

Standard Operating Procedures & Policies

- 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 Office of University Development (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 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 Facilities & Administrative 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 Facilities & Administrative Costs, complete any outstanding data fields on the PAF, and follow the established procedures of their school/college/institute for finalizing and routing a PAF as normal.

IV. 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
Page - 2 -	Last Revised Date: 07/27/2018
Approved by: C. Reynolds, ORSP Executive Director	Last Revised By: N/A