

## How to Distinguish a Gift from a Sponsored Project

### Sponsored Project or Gift

A **sponsored project** is funding from an external agency such as a private foundation, corporation or government agency for an activity with a defined scope and purpose and undertaken by the university with the expectation of an outcome that directly benefits the sponsor. Sponsored projects generally fall within the following three categories:

**Grant**—a grant is a written agreement that creates a voluntary relationship between a sponsor and a recipient in which: (a) the principal purpose of the relationship is the transfer of money, property, services, or anything of value from the sponsor to the recipient; (b) a public purpose is specified with a defined scope of work describing specific performance objectives to be achieved during a specific period of time; and (c) no substantial involvement is anticipated between the sponsor and the recipient during the accomplishment of the public purpose. The award agreement includes provisions for the assignment of proprietary rights to and provisions of work products derived from the performance of the scope of work, as well as requirements for formal financial or technical reporting by the recipient as to the actual use of the money or assets provided by the sponsor. Grants are administered through the Office of Sponsored Programs and the Office of Contracts and Grants. Grants from foundations may also involve the services of and be reported by the Development Office at UNCG.

**Contract**— a contract is a written agreement that defines how a business relationship will be managed. The business relationship should be of mutual benefit to both parties. Contracts include specific terms and conditions, commitment of resources from UNC, project period, administrative management and reporting requirements and carry a significant level of accountability. Contracts awarded to UNCG that support programmatic activities, research or specific projects (sponsored projects) are administered through the Office of Sponsored Programs and the Office of Contracts and Grants. The contract document and attached scope of work and budget are formal award documents upon which accounts and budgets are established. Subcontracts will pass on (flow through) applicable terms and conditions contained in the primary contract awarded to UNCG to the collaborating entity.

**Cooperative agreement**—a cooperative agreement creates a relationship between a sponsor and a recipient in which: (a) the principal purpose of the relationship is the transfer of money, property, services, or anything of value from the sponsor to the recipient to accomplish a public purpose; and (b) substantial involvement is anticipated between an individual or agency, acting for the sponsor, and the recipient during the accomplishment of the public purpose. Cooperative agreements are administered through the Office of Sponsored Programs and the Office of Contracts and Grants.

A **gift (or donation)** is an irrevocable transfer of money, property (e.g., equipment), or other assets (e.g., personnel time and skill) made without any expectation of or receipt of direct economic benefit or any other compensation (i.e., goods and services) from the university. There is no quid pro quo that is commensurate with the worth of the gift, and the donor does not participate in determining how the gift is used. There are "unrestricted gifts" and "restricted" gifts. Gifts are administered through the UNCG Office of Development.

**Restricted Gift** - The gift may be restricted to broadly defined activities or a specific program area or purpose (e.g., fund a scholarship, endow a professorship, establish a research center, construct a building). The recipient of the gift is responsible for using the funds for the general purposes specified by the donor. Such "restricted gifts" essentially create a fiduciary responsibility in which the university, by accepting the gift, is obligated to carry out the wish of the donor.

**Unrestricted Gift** - An unrestricted gift can be used as needed for any purpose.

For additional information, please visit the following UNC websites.

1. University of North Carolina at Chapel Hill

<http://research.unc.edu/ors/gift.php>

This site provides a list of questions to assist the PI in determining whether the funding is a gift or a sponsored project.

2. Sponsored Programs and Research Council (SPARC)

[http://www.northcarolina.edu/docs/aa/research/sparc/Defining\\_SPs\\_Final.pdf](http://www.northcarolina.edu/docs/aa/research/sparc/Defining_SPs_Final.pdf)

This site provides guidelines for defining sponsored programs – what a sponsored program IS and what a sponsored program IS NOT.

3. UNC General Administration

[http://intranet.northcarolina.edu/docs/aa/research/ContractsAndGrants/Terms\\_Concepts\\_and\\_Definitions\\_2008.pdf](http://intranet.northcarolina.edu/docs/aa/research/ContractsAndGrants/Terms_Concepts_and_Definitions_2008.pdf)

This site provides definitions on frequently used contract and grant terms, concepts and definitions.