SIUC CLASSIFICATION GUIDELINES
FOR
GRANTS AND GIFTS

External funding sources provide funding to the University for a variety of purposes. Depending on the nature of the funding, and the requirements of the funding source, the funds may be considered as sponsored research (typically referred to as a “grant”) or as a charitable donation (a “gift”). The terms “grant” or “gift” do not themselves determine how the funds are to be administered by the University. That determination is based on accounting and legal standards relative to how the funds are to be used and the conditions imposed by the source of funds.

This document is intended to help administrators and faculty to evaluate the possible implications of a grant or gift from an external source.

For audit compliance and tax purposes, it is important that grants and gifts be classified correctly. These guidelines can be used to determine the correct classification and how the funds should be administered.

Classified as a grant (sponsored project) and administered by Office of Sponsored Projects Administration (OSPA)

A project funded by an external entity which meets any of the following criteria, is considered a “sponsored project” and will be managed by OSPA and deposited in a restricted account.

- Sponsor requires specific deliverables (e.g., final technical or narrative report, evaluation, technical assistance, training). This does not include minimal requirements generally related to required donor pledge payments and the University’s commitment to effectuate the donor’s intent (i.e., stewardship).
- The award is revocable for non-performance or if agency lacks continuing funds.
- The sponsor is a federal, state, or local government agency or can be a non-profit such as the American Cancer Society.
- Sponsor generally, although not always, requires return of unexpended funds.
- Award designates a sponsor employee (agent) as project technical monitor as opposed to just designating a contact person to improve communications
- Award designates a University employee in an administrative or research role (internally referred to as a principal investigator or project director) and the project agreement and budget details effort and responsibilities for that employee.
- Award contains intellectual property rights provisions and/or technology transfer.
• Award restricts or monitors publications or use of results.
• Award payments are contingent upon programmatic or fiscal reporting (e.g., specific milestones, invoices).
• Award includes terms and conditions imposed by the project sponsor or negotiated with the sponsor by the University.
• Award requires protection of sponsor’s identity and/or confidential information.
• Award contains an itemized budget, which may require sponsor approval to modify and/or that is subject to the provisions of cost accounting standards.
• Request for funding will be used to fulfill a matching or cost sharing commitment on another sponsored project or requires a matching, cost sharing or other financial commitment from the University.
• The project is linked to other sponsored research projects or contracts being conducted by faculty/researchers.
• Project involves the use of human subjects, vertebrate animals, radioisotopes on humans, radioactive materials, recombinant DNA, human body substances, etiologic agents or proprietary materials and/or requires compliance with regulations of a government agency.
• Project involves foreign collaborators or is subject to Export Control policies.

**Classified as gift and administered by the SIU Foundation**

Activities supported by a donor that are generally not considered sponsored projects may include the following characteristics and shall be administered by the SIU Foundation.

• Gift supports an unrestricted purpose or such activities as endowments (e.g., endowed chairs, professorships), capital projects (e.g., construction or renovation, equipment), or general research support.
• Gift contains only minimal requirements, generally relating to required donor pledge payments and the University's commitment to effectuate the donor's intent (i.e., stewardship).
• Gift requires only minimal reporting to the donor in the form of a general statement of how funds were used. Such confirmation may not be a technical or a formal financial report of any detail. However, if publications result, copies may be shared. In addition, confirmation of proper utilization of funds would be allowed such as in a "stewardship report" or "annual endowment report." For example, if a company provided funds to help students build a solar-powered vehicle for a national student competition, the faculty member in charge of the project could report back how the students did in the competition, but not be required to provide detailed technical information including raw data.
• Gifts are generally irrevocable.
• Unrestricted grants are awards not identified by the sponsors as specifically being a gift or charitable contribution; however, these awards have no strings attached - no statement of work, no deliverables such as technical reports, no IP terms, etc.

There may be situations where a grant is administered by OSPA, but the funds are held by the SIU Foundation. Appropriate disposition of a grant or a gift can only be approved by a representative of the SIU Foundation or OSPA. Questions concerning the administration of any grant or gift can be directed to the SIU Foundation or OSPA, which will cooperate to determine the most appropriate means for receipt and administration of the funds.

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