

**Sacramento State**  
**Offices of Research, Innovation, and Economic Development**

<b>Guidelines</b>	Guidelines for Pursuing Gifts and Grants
<b>Effective date</b>	December 2011
<b>Updated</b>	September 2021

**Background and Context**

On behalf of the University, the Offices of Research, Innovation, and Economic Development (ORIED) are charged with assisting faculty and staff in seeking externally funded grants and contracts to support their research, scholarly, programmatic, and creative activities. The Office of Advancement/Development is charged with pursuing and accepting gifts and philanthropic donations in support of the broad educational mission of the institution. Typically, the line between gift and a grant is made obvious by the application guidelines, the intent of the proposal to the funder, or the case for support being made to the donor. For instances when funds are not clearly defined as one or the other during the application process, additional coordination may be required to ensure that the institution's compliance and reporting obligations are addressed. The following guidelines aim to clarify roles and responsibilities to aid in the pursuit of the gift vs. grant determination.

Generally speaking, all federal, state and municipal applications for funding are sponsored agreements (e.g. grants, cooperative agreements, or contracts) and are routed through the Offices of Research, Innovation, and Economic Development. With regard to private funders (e.g. corporate or private foundations), the routing may be less clear. When a competitive call for proposals is issued by a private funder, ORIED is involved. When an unsolicited case statement or proposal is prepared for submission to a private funder, the Office of Development takes the lead. However, if the proposal is for an activity or outcome that may result in the award of a grant, regardless of the donor's gift and taxation intentions, it may be necessary to submit and administer the activity as a grant and thus route the proposal and budget for review (and possible amendment) and signature through ORIED in advance of submission. This requirement is pursuant to ICSUAM 11000 and campus procedures for the Administration of Sponsored Projects at Sacramento State (ACA-152).

No single indicator, by itself, characterizes a gift or a sponsored agreement (i.e. grants, contracts, etc.). All factors must be weighed to make a final determination. As noted above, in some cases proposals to private funders appear to be gifts at the case presentation or proposal stage, and thus are not routed through ORIED. At the award stage, however, they are determined to be grants due to conditions set forth in the award letter/agreement. Compliance, budget and reporting considerations emerge when this occurs and must be addressed by the appropriate University office, beginning with ORIED.

**Mandates and Definitions**

**Gifts:** The Development Office is the campus unit authorized to accept and administer gifts which, as defined by the Council for Advancement and Support of Education (CASE) standards,

are, “A contribution received by an institution for either unrestricted or restricted use in the furtherance of the institution for which it has made no commitment of resources or services other than, possibly, committing to use the gift as the donor specifies. The contribution is a nonreciprocal transfer in that there is no implicit or explicit statement of exchange, purchase of services, or provision of exclusive information. If the donor receives benefits in return for the contribution, the amount of the gift recorded and reported is reduced by the fair market value of all benefits given, according to U.S. Internal Revenue Service regulations. Whether or not an institution has an obligation to report to the donor how a gift is used or invested, such reporting is an important element of good donor stewardship.” It is the University’s practice to process gifts through the University Foundation at Sacramento State.

**Sponsored Agreements:** According to ICSUAM 11000, sponsored agreements are grants, contracts or other agreements from a Sponsor to the campus. Grants are defined as “... a financial contribution to a Recipient to carry out an approved project or activity. A Grant generally anticipates no substantial programmatic involvement of the Sponsor with the Recipient during performance of the project or activity, but Sponsors usually request an accounting of the use of funds and of results of the project or activity. The University or Auxiliary may commit resources or services as a condition of the Grant.” Further, ICSUAM 11000 notes that a contract is defined as “... an agreement between the University or Auxiliary and a Sponsor to provide an economic benefit, generally in the form of services, for compensation. The agreement is binding and creates a quid pro quo relationship between the parties.”

ICSUAM 11000 also stipulates that “...proposals for sponsored programs shall not be submitted to the sponsor without prior written approval of the president’s designee and of the chief financial officer...”. Per Sacramento State policy ACA-152, written approvals shall be obtained on the [ORIED Proposal Approval Form \(PAF\)](#).

### **Internal Consultation Protocol**

If ORIED is approached by a faculty (or staff) member interested in pursuing funding from a private or corporate foundation, and it is not in response to an RFP or other open call for proposals, ORIED will begin working with the faculty member but will immediately alert the Office of Development (current designee: Director of Corporate and Foundation Relations) of the particulars for all proposals to foundations on Advancement’s priority list, including the name of the potential funder, the faculty member, the basic scope of work, the anticipate request amount, and the name of any contacts at the organization.

If a Director of Development (or Associate) is working with a faculty member or other member of the campus community on a proposal or case statement that may have deliverables, reporting requirements, tangible project outcomes, effort committed by university personnel, or any of the other typical hallmarks of a grant, the ORIED (current designee: Senior Research Development Officer) is to be alerted and the proposal/case statement and draft budget is to be routed to ORIED for review. If it appears that the submission, even if submitted as a gift proposal to the donor, might likely be classified as a grant upon acceptance, the proposal will need to be routed for approval via ORIED’s Proposal Approval Form (PAF) in accordance with campus policy and procedures (ACA-152) and the basic terms and conditions are in place to properly administer the award through University Enterprises, Inc. (UEI) doing business as Sacramento State Sponsored Research.

**Gift vs. Grant Decision Chart**

For instances when funds are not clearly defined as one or the other during the application process:

CATEGORY of INDICATOR	GIFT INDICATOR	SPONSORED PROJECT INDICATOR (i.e. grant or contract)
<b>Source of Funds</b>	Individuals Foundations Non-profit organizations Corporations Corporate foundations Donor Advised Funds Anonymous	Government agencies (federal, state, local) Foundations Non-profit organizations Corporations Corporate foundations Other universities
<b>Sponsor Intent/Purpose</b>	The sponsor/donor may specify an area of interest or a goal to be funded. Generally, funds are provided in the spirit of philanthropy/charitable purpose.  Funded activities may include endowments, scholarships, capital projects or general student financial assistance.	The sponsor specifies how the funds should be used as outlined in the supporting documentation (i.e. proposal, award letter, grant agreement). Generally, the sponsor provides funding with the intent to accomplishing specific project aims or activities. Activities to be performed may include research, instruction, curriculum development, training or public service.
<b>Published Proposal Solicitations</b>	Proposals are generally the result of a cultivated relationship and are not the result of a published solicitation or open call for proposals/applications.	Proposals are generally developed in response to a published solicitation, request for proposals (RFP), or Request for Applications (RFA) or other open call for proposals/applications. In rare circumstances proposals may be a result of an invitation from the sponsor or unsolicited submission. For these proposals a proposal detailing specific measurable activities and a detailed, line-item budget is generally required.
<b>Value Exchange</b>	The sponsor/donor receives no or nominal value in exchange for the funding provided other than recognition  No deliverables (reports or IP rights) are provided to the donor in exchange for the funding. However, a brief summary of the results of supported activities and/or a general statement of how funds were used may be provided.	The sponsor is entitled to receive value, which may include detailed programmatic and/or financial reports, data, results, intellectual property (IP) rights, publication rights, etc.
<b>Scope of Work (SOW)</b>	The donor expresses support of the general goal of an activity with no expectation on specific implementation.	The sponsor approves the proposed implementation plan set forth in the proposal and requires notification of changes in the scope of work.
<b>Budget</b>	There is no requirement for a line item budget or restrictions on the use of the funds other than it must be consistent with the stipulations of the donor.  F&A/Indirect Costs are typically not included in the request, but an administration fee or some other form of reimbursement for administration is often appropriate (ex. 1-7% admin fee).	The request for funding includes a detailed, line-item budget describing how the funds will be used, and there are often specific restrictions on how the funds can be used.  Per Chancellor’s Office and University policy, F&A/ Indirect Costs at the approved campus rate are included on all proposals except when the sponsor mandates a lower rate.
<b>Effort/Personnel</b>	Commitment of effort by specifically named university personnel (faculty, staff or MPP) cannot be a component of the budget.	Effort by specifically identified university personnel (faculty, staff, MPP) is outlined in the proposal budget and must be tracked and reported to UEI and the University.

CATEGORY of INDICATOR	GIFT INDICATOR	SPONSORED PROJECT INDICATOR (i.e. grant or contract)
<b>Terms for Use of Funds</b>	<p>Funds are generally unrestricted or if restricted, it is for a high-level generic purpose.</p> <p>Funds are not required to be held in separate accounts/funds from other gift/donor/university funds.</p>	<p>Funds are restricted for a specific, detailed purpose and must be held in a separate account.</p> <p>Funds are governed by funder guidelines and policies, and include certifications and formal terms and conditions.</p> <p>Use of funds requires compliance review (e.g. IRB, IACUC, FCOI, etc.)</p>
<b>Excess Funds</b>	Unspent funds do not have to be returned.	<p>Unspent funds must be returned to the sponsor.</p> <p><i>Exception: fixed price agreements.</i></p>
<b>Penalty for Non-Performance</b>	No penalties are incurred for failing to use all the funds.	There may be penalties for failing to use the funds or deliver items or meet project goals on a timely basis.
<b>Proposal Process</b>	<p>Initiated by donor, advancement staff or a faculty member.</p> <p><u>Note:</u> If submitting to a private foundation or a corporation, and the project meets the definition of a grant, notify the Senior Research Development Officer in ORIED to the submission.</p>	<p>Initiated by a faculty member or other campus administrator working in conjunction with ORIED.</p> <p><u>Note:</u> If submitting to a private or corporate foundation or a corporation that falls within the Development Office's funding priorities, notify the Director of Corporate and Foundation Relations of the submission.</p>
<b>Award Document</b>	<p>Letter of Donation</p> <p>Gift Agreement</p>	<p>Award Letter/Notice of Grant Award</p> <p>Grant Agreement</p> <p>Contract</p> <p>Subaward/subcontract</p> <p>Cooperative Agreement</p>
<b>Authorizing signature</b>	<p>Signature by University Advancement/Development official acknowledges intent to receive funds by donor.</p> <p>If a development activity results in a sponsored agreement, ORIED must be alerted and appropriate University signatures must be obtained in accordance with ICSUAM 110000 and ACA-152.</p>	<p>Proposal: Signatures of the president's designee (i.e. AVP for Research, Innovation, and Economic Development) and the chief financial officer (CFO/VP for Administration and Business Affairs) must be obtained prior to submission of grant or contract proposals to a sponsor in accordance with ICSUAM 11000.</p> <p>Award: grant award documents require the signature of the UEI Director of Sponsored Programs Administration binding UEI to the terms and conditions of the proposed project in accordance with ICSUAM 11000.</p>
<b>Period of Performance</b>	Typically, no time period or end date is associated with the use of funds.	Specific start and end dates are outlined for conduct of the project or activity.
<b>Reporting</b>	The institution has little or no obligation to report to the donor on how the gift is used or invested. The institution is not prevented from providing such reports, but rather uses the opportunity for donor stewardship. Required reporting is limited to details of how, when and to whom funds were disbursed as well as statements of earning when applicable.	Programmatic, technical and/or detailed fiscal reporting is required, and requirements for retention of expenditure records may also be specified.

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