

AABC-SEC Revenue Services

Administering Gifts or Grants



1) Determine if your potential award is a “gift” or a “grant” (aka “sponsored program”).

Private and non-profit sector organizations (associations, foundations and industry sponsors) can be either a sponsor or donor, depending on an award instrument. The following link provides guidance, developed by Oregon State University and the Oregon State Foundation, on determination of sponsored projects and gifts.

<http://research.oregonstate.edu/irb/determination-sponsored-projects-and-gifts>

a. If the potential award is a “gift” or “donation”:

- Contact the OSU Foundation Services office who can help with donation proposals and post award administration.
<http://www.osufoundation.org/s/359/foundation/index.aspx?sid=359&gid=34&pgid=4685>

Contact the AABC-SEC Foundation Staff:

Kay Kim – Accountant 1 (541)737-7558 kyungae.kim@oregonstate.edu

Alexandr Leziy-Miller – Finance Coordinator (541)737-9942 alexandra.leziy-miller@oregonstate.edu

b. If the potential award is a “grant” or “sponsored program”:

- Work with the AABC-SEC staff listed below to submit your proposal through the Office of Sponsored Research and Awards Administration’s on-line proposal system “Cayuse”.

Contact the AABC-SEC Gifts & Grants Staff for help making this determination:

Stephanie Pearse – Finance Coordinator (541)737-6353 stephanie.pearse@oregonstate.edu

Erica Dodson – Finance & Accounting Manager (541)737-6251 erica.dodson@oregonstate.edu

Additional Resources and Links:

- OSU Foundation Services: [OSU Foundation Services](#)
- Office of Sponsored Research and Award Administration (OSRAA): <http://research.oregonstate.edu/osraa>
- AABC-SEC Finance: <http://fa.oregonstate.edu/aabc/finance>
- Cayuse (On-line Proposal System): <https://oregonstate.cayuse424.com/661/>



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Determination of Sponsored Projects and Gifts

Oregon State University and the Oregon State University Foundation share the mutual goal of achieving the highest level of external support for the institution. In working toward that goal, external support is sought from many sources. These guidelines below have been developed as standards to be used to determine the proper classification of such external support. External support is anything of economic value provided by a third party (a "sponsor" in the case of sponsored projects or a "donor" in the case of gifts) for use in a project conducted by OSU. Correct classification of external support and use of appropriate procedures will ensure OSU's ability to build long-term, mutually beneficial relationships, comply with requirements specified by the sponsor/donor, and assure compliance with applicable university, state, and Federal regulations and policies. These guidelines are to be used to determine the classification of external support by OSU colleges, schools, departments, and other administrative units.

I. General Guideline

All sponsored projects shall be processed through the Office of Sponsored Programs. Gifts can be processed through the OSU Foundation, the Agricultural Research Foundation¹ or OSU.

II. Sponsored Projects

For purposes of these guidelines, a "sponsored project" is any project receiving external support (including research, scholarly work, training, workshops, and services) that has defined performance requirements.

The following criteria shall be used for classifying sponsored projects:

- A. Any project receiving either direct or indirect ("pass-through") external support from any Federal, state, local, foreign, or other governmental entity shall be considered a sponsored project at the time the project is proposed.
- B. A project receiving external support from a non-governmental entity shall be considered a sponsored project if the project is subject to any of the following conditions at the time the project is proposed or an award is made:
 - 1. The *specific* project involves any of the following: human subjects, vertebrate animals, radioactive materials, recombinant DNA, infectious agents, or third-party proprietary materials.

¹ The Agricultural Research Foundation was created to support activities related to agriculture.

2. The external support is subject to any of the following conditions:
 - a. Delivery of specific goods, services, or other deliverables by the University that provides direct benefit to the sponsor. Examples of deliverables are technical reports and/or data;
 - b. Performance milestones or programmatic tasks with specified timelines and performance expectations;
 - c. Transfer of intellectual property, ownership, or related rights;
 - d. Insurance, indemnification, or warranty;
 - e. Restrictions on publication of research results, including prior review;
 - f. Audit requirements to ensure compliance with terms and conditions of the award;
 - g. Subcontracting part of the programmatic effort to an outside entity;
 - h. Sponsor requires the return of unused funds;
 1. Award is made on a cost-reimbursement or milestone payments.

3. The provider of the external support may withhold or seek a refund of the support if the project fails to meet performance requirements or project objectives.

III. Gifts

For purposes of these guidelines, a gift is the voluntary provision of external support by a donor to the University, without any requirement for receipt of any economic or other tangible benefit in return.

Gifts shall normally meet the following criteria:

- A. The external support does not meet the criteria for a sponsored project as described in Section II of this memorandum;

- B. The external support is irrevocable, providing the gift is used in accordance with any valid restrictions accepted by the University;

- C. The donor does not expect to receive any direct benefit as a result of the gift. Indirect benefits such as tax advantages or business or personal goodwill derived from close association with the University and the miscellaneous benefits derived from the donor status do not negate gift intent.

- D. Donor reserves the right to audit gift accounts to ensure intent of gift is met.

Contributions to endowments are not treated as a sponsored project.

While the OSU Foundation is the preferred recipient on gifts of equipment, export controlled equipment gifts should not be accepted by the OSU Foundation.

Gift or Sponsored Project Indicators

In some cases, it is difficult to distinguish between a gift and a sponsored project when external support is requested from sponsor/donors. The purpose of these indicators is to describe the standards used to classify external support and to identify appropriate procedures for accepting external support.

If, after reviewing definitions and considering the intent of the source of funding and nature of the agreement in question, there remains a question about the proper classification of an award, the following list of indicators should be used. This collection of indicators—which may be used by faculty and/or staff—should be viewed as a continuum. Placement toward one side or the other, taken together with the analysis of the source of funds and the terms of the agreement, should help to classify questionable awards.

GIFT (a voluntary provision of external support by a donor, without any requirement for receipt of any economic or other tangible benefit in return)	Y E S	N O	SPONSORED PROJECT (a project receiving external support by a sponsor—including research, scholarly work, training, workshops—that has defined performance requirements)	Y E S	N O
For a general or specific purpose, e.g., endowment, capital projects, line of research, faculty support or student financial aid			For a specific statement of work, e.g., specified protocol, experiments, testing of hypotheses, particular line of inquiry		
May be for any activity at the university, e.g., department, library, arts, scholarship, facilities, research/instruction activities, etc.			Usually for a specified research project but may be for instruction or other sponsored activity		
Funding does not require reporting back to donor on research risk items.			Project scope of work includes research risk items that require compliance monitoring, including, but not limited to: human subjects, vertebrate animals, conflict of interest, etc.		
Payment can be made in installments or paid in full			Payment is made on a cost-reimbursable, fixed price or milestone payments basis		
Donor may request progress reports, but no deliverables other than non-technical reports and use of funds as requested and awarded			Deliverables defined by agreement, e.g., technical reports, data, results, IP rights, equipment, etc.; funds may be withheld pending delivery of results		
Publication attribution may be encouraged or agreement may be silent on attribution			Publication attribution required, usually with credit to sponsor		
Award is irrevocable			Sponsor expects return of unexpended funds		
No required pre-approvals for expenditures			Certain expenditures may require prior written approval by sponsor		
Donor reserves the right to audit to ensure intent of gift is met			Sponsor has audit requirements to ensure compliance with terms and conditions of the award		
Some gifts may be combined into one fund (if for the same purpose)			Must be separately budgeted and accounted for		
Qualifies for tax treatment as charitable contribution by donor			May qualify for basic research tax credit for sponsor		
No obligation or agreement to share data with donor; donor willing to sign gift agreement relinquishing intellectual property and data rights to University.			Sponsor expects access to data, primary records, or has ability to audit data collection		

Special Considerations:

Equipment Gifts – While the OSU Foundation (OSUF) is the preferred recipient, export controlled equipment gifts should not be accepted by OSUF.

If an award can only be given to a 501(c)(3) organization, but still meets the characteristics of a sponsored project, OSUF will write a subagreement to OSU. OSUF will confer with the Office of Sponsored Programs/Office of Post Award Administration regarding commitments (e.g., cost sharing) before acceptance of an award. In cases where OSUF is the recipient, they will be responsible for reporting back to the sponsoring agency.

In the event a gift comes to Oregon State University, the Office of Post Award Administration will be responsible for providing an acknowledgement letter to the sponsor. If a gift comes to the University from a donor on the key corporate/foundation lists, the letter will be prepared in collaboration with the OSU Foundation.

Gift or Sponsored Project Determination Process

The following steps should be taken when making a determination of gift or sponsored project. Decision-makers will collaborate with each other, resulting in an objective determination.

Level One - The department/center/institute makes initial determination based on Gift or Sponsored Project Indicators Chart.

Level Two - If a department/center/institute cannot determine if an award is a gift or a sponsored project, the Office of Sponsored Programs or the Office of Post Award Administration should be consulted. The two offices will confer and the Director of Sponsored Programs will provide written documentation of the decision to all parties.

Level Three - In cases where it is more difficult to make a determination, the Office of Sponsored Programs, the Office of Post Award Administration and the OSU Foundation will review the information jointly and make a decision. The Director of Sponsored Programs will provide written documentation of the resolution to all parties.

Level Four - In cases that are particularly difficult to resolve, the Vice President for Research, Vice President for Finance and Administration and the President of the OSU Foundation will review the information jointly and make a decision. The Director of Sponsored Programs will provide written documentation of the agreed-upon resolution to all parties.