

Distinction between Gifts, Sponsored Projects and Contracts

This chart is meant to be a guide to assist in determining what entity (NC State University or one of its Affiliated Foundations) should be named as the applicant in a proposal for funding and is based on the [3D Memo Definition of Gifts, Grants and Contracts](#), the official University policy. A full list of Affiliated Foundations can be found on the [Foundations Accounting & Investments website](#).

The terms included in letters, agreements, or printed on a check are critical and may require additional review. Common triggers for additional review are noted at the end of the chart. The agreement and documents (including proposals and email) accompanying the payment are the final determinant in how funds must be processed.

	GIFT/DONATION	NON-SPECIFIC GRANT (GIFT)	SPECIFIC GRANT (SPONSORED PROJECT)	CONTRACT
Definition	<p>A gift is a voluntary donation of money or assets where no goods or services are expected or implied. Examples include cash, securities, physical property, real estate, life insurance. Gifts may be unrestricted or directed to a specific program area or purpose (e.g. library, research, scholarships). Gifts are designated for investment in an endowment or for current use.</p>	<p>Funder has outlined a restricted purpose for the funds and there are minimal expectations in exchange for the financial support provided. Stewardship reporting or impact reporting can be a requirement.</p>	<p>Specific grants are financial assistance awards. Funder has approved a specific statement of work that the University is required to pursue in exchange for the financial support provided.</p> <p>The University may have limited latitude to modify the details of the scope of work and budget as the research progresses.</p>	<p>Contracts are procurement vehicles. The University is legally bound to complete the scope of work and any deliverables specifically defined in the written agreement.</p> <p>The University has no latitude to change the scope of work independently.</p>

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Funders	Includes individuals, corporations, foundations, family foundations, donor advised funds, nonprofits, associations, or commodity groups.	Typically includes corporations, private foundations, community foundations, family foundations, nonprofits and other organizations.	Typically includes corporate or private foundations, federal, state and local government agencies, nonprofits, associations and other charitable organizations.	Typically includes corporations, federal, state, and local government agencies. Although rare, funders may include nonprofit or corporate foundations.
Funds Directed To	Affiliated Foundation and, rarely, the University	Affiliated Foundation or University	University	University
Terms, Conditions and Restrictions	No expectation of a benefit, return of unspent fund, or compensation in exchange for funding. A gift is funds, materials or long-lived assets voluntarily given to the University without expectation of a benefit, return or compensation on the part of the donor. There is no time limit to spend the funds.	No expectation of a benefit, return of unspent funds or compensation in exchange for funding. A formal application or proposal may be required. May include an agreement. Sometimes uses the word 'grant' in place of 'gift' in the agreement.	Terms, conditions or restrictions are included in an agreement. Agreements typically address topics such as intellectual property, indemnification, publications review, financial or technical reporting and how disputes are handled. There may be terms and conditions about return of funds or audit of expenditures.	The Funder pays for the University's performance of the statement of work on a fixed-price, deliverables-based or cost-reimbursement basis. The parties agree on project details, direction and control of the project activity. Includes agreements referred to as fee for service.

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Required University Performance in Exchange for Funds	None, other than assurance gifts are used in accordance with donor intent. Donor may request periodic reporting to ensure compliance with donor intent.	Obligations in the agreement (e.g. annual report, formal budget or progress-based payments) that do not impact charitability place an award into this category. Reporting is the responsibility of the unit receiving the funds.	Funds will be and have been used in accordance with grant terms; expenditure and progress reports may be required periodically.	Technical reports and/or tangible deliverables as defined in the contract. Financial reporting or deliverables-based invoicing as defined in the contract.
Intellectual Property Rights	The Funder receives no intellectual property rights	The Funder receives no intellectual property rights. Requirement to place results into the public domain is an acceptable term, as the Funder receives no specific rights.	Intellectual property rights typically remain with the University. Funder rights, if any, are defined in the award.	Negotiated between the Funder and University. The agreement determines rights for patents, copyrights, background knowledge, outcomes, data and future revenue share.

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Costs and Fees	<p>Gift assessment fee applies to all gifts received.</p> <p>Revenue from assessments is designated for advancement operations.</p>	<p>Gift assessment fee applies to all gifts received.</p> <p>Revenue from assessments is designated for advancement operations.</p>	<p>Facilities and Administration (F&A) costs, also known as indirect costs, cover expenses incurred in the performance of research, instruction and public service not readily identifiable to a specific project. F&A costs are federally negotiated rates specific to each university and apply to all specific grant proposals.</p>	<p>Facilities and Administration (F&A) costs, also known as indirect costs, cover expenses incurred in the performance of research, instruction and public service not readily identifiable to a specific project. F&A costs are federally negotiated rates specific to each university and apply to all proposals for contracts.</p>
Reporting/ Stewardship	<p>Reports are typically voluntary and acknowledge program activity, results or outcomes and provide assurance that gifts were used consistent with donor intent. May include thank you letters, endowment reports, stewardship reports or usage of funds to affirm donor intent, but not detailed accounting. Funder does not have the right to audit, inspect or review accounting records.</p>	<p>May include a budget summary. Funder does not have the ability to audit, inspect or review accounting records.</p> <p>Progress reports and final reports are acceptable.</p>	<p>The agreements for each funded project outlines all reporting requirements. Final reporting and financial accounting provided upon completion of the funded project. Technical progress reports generally are required. Payments may be conditional upon reporting.</p>	<p>Technical progress reports generally are required. Detailed expenditure reports may be required for cost-reimbursement contracts. Payment may be conditional upon delivering tangible products or results.</p>

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Charitable Gift Receipts	Advancement Services on behalf of Affiliated Foundation or NC State University provide gift receipt.	Advancement Services on behalf of Affiliated Foundation or NC State University provide gift receipt.	Not Applicable	Not Applicable
Fundraising/ Campaign Counting	Yes	Yes	If the sponsored project meets criteria defined by Council for Advancement and Support of Education's (CASE) <i>Global Reporting Standards 1st Edition</i> it can be counted. Reviewed by University Advancement Corporate and Foundation Relations to determine if sponsored projects can be counted as a 'non-governmental grant'	No
Recognition	Funder may request prior approval before the University posts their name in print and marketing materials or recognition mechanisms.	Funder may request prior approval before the University posts their name in print and marketing materials or recognition mechanisms.	Funder may request or require prior approval before being recognized as a source of funds.	Funder may request or require prior approval before being recognized as a source of funds.

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Typical Agreements	Gift letter, gift agreement, pledge form, naming agreement, endowment agreement, in-kind agreement. Written proposals and agreements must have matching NC State entity name (NC State University or Affiliated Foundation)	Letter/Agreement with minimal terms and conditions related to the funding. Entity named in agreement must match the entity named in the written proposal associated with the funding.	Grant, cooperative agreement, sponsored research agreement, collaborative research agreement, memorandum of agreement.	Contract, subcontract, sponsored research agreement, master research agreement, work order, task order, testing services agreement, laboratory use agreement, fabrication services agreement.
Who to Submit to for Review	Donor Services in Advancement	Donor Services in Advancement	Sponsored Programs and Regulatory Compliance Services (SPARCS) (Project Information and Navigation System)	Sponsored Programs and Regulatory Compliance Services (SPARCS) (Project Information and Navigation System)

Common triggers for additional review:

- Return of unspent funds or time limit to spend the funds
 - Deliverables related to the funds, including benefits or promises
 - Funder involvement in determining how funds are spent or managed
 - Detailed, specific and lengthy reporting requirements
 - Ability to Funder to audit financial statements or project expenditures
 - Funder request for rights to intellectual property/ownership of results
 - Funder request for prior review or approval of publications and presentations
 - Indemnification rights protecting the Funder's legal liability
 - Project is subject or not-subject to indirect costs or assessments
 - Funder only awards to an official 501(c)3 organization
 - Funder requires a charitable tax receipt
 - Key personnel are named in the scope of work
 - Authorized signature is required
 - Instructions that when check is cashed, the University automatically agrees to terms and conditions
 - A non-disclosure agreement (NDA) or confidentiality agreement is requested or required
 - Funding from international individuals and organizations, in consideration of "foreign influence" reporting requirements.
- Acceptance of gifts can create [conflicts of interest](#), or the appearance of such, where an individual benefitting from or controlling use of the gift holds a [Significant Financial Interest](#) in the donor.
- - Affiliated Foundations do not have employees that can fulfill obligations