



## FLORIDA ATLANTIC UNIVERSITY GIFT vs GRANT

This document, effective July 1, 2019, will assist in identifying the distinctions between a gift and a grant/sponsored project. The terms “gifts” and “grants” are often used interchangeably, but they have very distinct meanings for the University.

### Definitions:

**Gift.** A voluntary, charitable contribution for which the donor does not expect or receive any tangible benefits in return. It is essentially a donation. The donor may receive recognition for the gift. Charitable contributions may be unrestricted or restricted, endowed or non-endowed to a certain college, unit, or program, and are accepted through the University’s direct support organization (FAU Foundation, Inc.).

**Restricted Gift:** This category includes gifts made by a donor who instructs the University as to the use of the funds in a specific academic area or for specific purposes. Gift terms for restricted gifts may specify particular activities and budgets for those activities; but usually do not specify how the funding must be spent or administered, and allow funding to be utilized at the full discretion of the recipient, although respecting the overall gift purposes. Financial reporting requested by donors of restricted gifts is normally in the aggregate, although detailed reports are sometimes requested; in both cases this reporting is solely intended to assure proper gift stewardship. Unexpended funds are not returned to the donor at the expiration of the restricted gift period.

**Grant.** A grant or sponsored project differs in that the sponsor/agency has outlined specific statement of work and there are expectations by the sponsor (i.e., foundation) in exchange for the financial support provided.

University: a contribution received by an institution for either unrestricted or restricted use in the furtherance of the institution that typically comes from a corporation, foundation, or other organization, rather than an individual.

**Research.** A process of collecting, analyzing and interpreting information to answer questions or solve a problem. Basic Research is inquiry aimed at increasing scientific knowledge, and Applied Research is effort aimed at using the basic research for solving problems or developing new processes, products, or techniques.

**Sponsored Research.** Research using any university space, facilities, materials, equipment, or property. Sponsored Research supports research and development, but it **also includes instruction, training, professional development, curriculum development, community and public service projects, and commercialization.**

The following **Quick Reference Guide** is to assist in distinguishing a gift from a sponsored activity. The table highlights general characteristics of these two funding categories.

**Gifts vs Grants**  
**Quick Reference Guide**

	<b>Gift</b>	<b>Grants</b>
<b>Benefit received by funder from activities funded</b>	Serves philanthropic or personal interest of funder, does not serve the primary business purpose of the funder; received without any expectation of or receipt of direct economic benefit	Serves the primary business or mission interest of the funder, whose basic activities are integrally related to the research plan; benefit received
<b>Specificity of intent of funder</b>	Donor intends the funds to be a charitable gift; the gift should be used for the substantial benefit of the university	Funder states programmatic objectives to be achieved; typically the result of an outcome driven proposal; generally for research but may be for instruction, public service, training, or other sponsored program activity; defined objectives, strategies, work plans, and/or deliverables
<b>Value exchanged</b>	Funder receives no personal or institutional value in return for the funds given; no deliverable for work performed or activities accomplished; no contractual requirements	Funder expects and receives implementation of and/or report of university's funded activities; funder's own mission and/or research agenda is advanced through the university's funded activities; deliverable provided; intellectual property ownership rights
<b>Scope of work</b>	Broadly defined; typically, no time frame or period of performance. No involvement of human or animal subjects, hazardous materials, proprietary materials, data rights or subcontracts to third parties.	A defined and clear period of performance; project may involve use of human subjects (IRB), animal subjects (IACUC), hazardous materials, proprietary materials; data rights; subcontract efforts to a third part; export control restrictions or other compliance requirements

<b>Persons performing funded activities</b>	Often left to the discretion of the university, college, research center, program or one named individual	Key personnel are named in the proposal/scope of work; changes to key personnel require pre-approval from funder; funded based on the technical expertise of the key personnel
<b>Budget specificity and restrictions</b>	Budget is general in nature; funder pre-approvals are not required as long as funds are used for donors intended purpose	Budgets are specific; may require variances to be pre-approved by the funder; deems certain costs as unallowable; effort reporting
<b>Progress reports</b>	No specific outcome is provided	Required, must outline progress toward the specific outcomes/scope of work
<b>Terms of funding</b>	Often given for a general purpose with no required reporting, term limits, budgets or contingencies.	Often detailed; use of the funds stated; may include budgetary restrictions or prior approval requirements; payment may be contingent upon programmatic accomplishments or detailed reporting
<b>Accountability for use of funds</b>	More moral than legal; no penalties for failing to use the funds	May require fiscal reporting; invoice requirements; return of unallowable expenses; audit requirements; oversight for conflict of interest
<b>Ability of funder to recoup funds</b>	Funds are awarded irrevocably	Establishes the ability to terminate the funding agreement and/or demand repayment of funds if scope of work has not been completed; return of unspent funds upon termination and/or expiration of award; return of unallowable expenses; return of funds if PI leaves institution
<b>Method of documentation</b>	Check; letter of intent; standard gift agreement	Binding agreement with terms and conditions, typically signed by both parties; letter or notice of award

  
**FOUNDATION INC.**  
 Florida Atlantic University

<b>Funding Source</b>	Individuals Non-Profit Organizations Family or individual Foundations Family Trust	Government Agencies Non-Profit Organizations Family, Private and Individual Foundations, Organized Trusts Corporations Corporate Foundations State Agencies Local/County Government Foreign Entities
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