

Issued: June 9, 2004

Responsible Official: Vice President for Research

Responsible Office: Vice President for Research

## POLICIES

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### Policy Statement

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#### Policy Statement

The difference between a gift and a grant should be judged on the basis of the intention of the awarding agency and the legal obligation incurred by the University in accepting the award. Each may be awarded on the basis of an unsolicited proposal or on the basis of the line-item budget submitted to the awarding agency. Each may involve the University in at least the ethical responsibility of periodic or final reports on the uses made of the funds.

Judgment must be exercised in order to classify the award as gift or grant. In those situations where doubt may exist as to the appropriate classification, the President authorizes the Vice President for Research to make this classification after consultation with the Chief Development Officer.

This policy does not include solicitation of gift or grant funds, contracts for research or other sponsored programs, or contracts in which the University purchases services or goods externally.

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### Purpose

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The classification of funding as "gift" or "grant" will affect, among other things, the way the University of Memphis accounts for the funds, calculates and applies facilities and administrative (indirect) costs, and reports on the use of the funds to the sponsor or donor.

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### Definitions

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## **Gifts**

In general, award funds or other valuable items such as equipment will be classified as a gift when all of the following conditions exist:

- The funds are bestowed voluntarily;
- The donor does not impose contractual requirements;
- The funds are awarded to the University irrevocably.

## **Grants**

The governing documents furnished by the grantor at the time of such grant awards usually designate the funds as grants and specify the degree of accounting and reporting obligations for such funds. Award funds will be classified as a grant if one or more of the following conditions exist:

- Provision is made for an audit by or on behalf of the grantor;
- The grantor is entitled to receive some consideration such as a detailed technical report of the research results or a report of expenditures;
- Testing or evaluating of proprietary products is involved;
- The research or other sponsored activity is directed to satisfy specific grantor requirements, for example, terms and conditions stating a precise scope of work to be done rather than a general area of research or activity;
- A specific period of performance is prescribed or termination is at the discretion of the grantor;
- Intellectual property rights are requested by the grantor.

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## **Procedures**

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### **Facilities & Administrative (Indirect) Costs**

The processing of gifts may include the application of appropriate University facilities and administrative costs in accordance with university policy unless such costs are disallowed or reduced by sponsor or specifically waived or adjusted in writing by the Vice President for Research.

The processing of grants will include the application of appropriate University facilities and administrative costs in accordance with University policy unless such costs are disallowed or reduced by sponsor or specifically waived or adjusted in writing by the Vice President for Research.

**Responsible University Office**

Should the funds be classified as a gift, the funds should be appropriately processed by the Division of Advancement in accordance with policy entitled, "Donations to The University of Memphis."

Should the funds awarded be classified as a grant, the funds should be appropriately administered by the Office of Research Support. In such cases, it will be subject to review by the departmental chairperson, the dean, the Office of Research Support, or the Vice President for Research. In addition, all fiscal policies and procedures that apply to all University funds that are administered by the Chief Financial Officer will apply.

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**Links**

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**Donations to the University Policy**

<http://policies.memphis.edu/UM1652.htm>

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**Revision Dates**

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RE7008 supercedes UM 1524  
UM1524 - Issued: June 9, 2004 - supercedes policy number 1:2B:05:03

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**Subject Areas:**

Academic	Finance	General	Human Resources	Information Technology	Research	Student Affairs
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