

# Gift vs. Grant Determination Procedure

Revision Date: 8/ 4/17

Funding, particularly when received from a non-profit entity (i.e., foundation, corporate foundation, private organization, or corporation), is sometimes difficult to classify as either a gift or a grant.

All components of information related to the gift/sponsored project should be reviewed by appropriate decision makers to best classify the funding

## Definitions

**Gift:** the voluntary, non-reciprocal transfer of money or property from a donor to an institution. The donor may be an individual, a corporation or a non-profit organization. The donor does not expect anything of value in return other than recognition and does not have control over expenditure. A gift may meet the interests of the donor and can be either restricted or unrestricted. Only the Advancement Division may accept gifts on behalf of the University.

- x **Restricted gift:** a contribution designated for a specific purpose, program or project.
- x **Unrestricted gift:** the donor does not specify any restrictions and the institution allocates the funds at its own discretion.

**Grant (sponsored program funding, award):** the transfer of money or property from a sponsor to an institution that may require performance of specific duties such as meeting specific program goals, program evaluation, performing research, require deliverables such as budget (expense/financial) reports and progress (programmatic) reports, and may require a return of unused funds.

## Procedure

A review of information and materials related to the funding should be performed with ORS, who, in collaboration with CFR will consult with SPA to make final determinations. The following table of indicators should be ~~Accomplish~~ **Accomplish** (GAAP).

from ORS and/or CFR, question a decision or ask  
the donor's/sponsor's intent is honored. Backup  
copies provided to SPA for all funds received.

**Note:** Any funding provided by U.S. Government agencies, at the federal, state, or local level, is treated as a grant. Government funds are not treated as gifts. Funding from voluntary health organizations or associations such as the American Cancer Society or American Heart Association is usually treated as a grant.

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## GIFT vs. GRANT TABLE OF INDICATORS

Factor	Gift Indicator	Grant Indicator
Source	<ul style="list-style-type: none"> <li>-Individuals</li> <li>-Non-Profit Organizations</li> <li>-Corporations</li> <li>-Corporate Foundations</li> <li>-Other organizations such as Donor Advised Funds</li> <li>-Family or individual foundations (generally treated as individuals)</li> </ul>	<ul style="list-style-type: none"> <li>-Government Agencies</li> <li>-Non-Profit Organizations</li> <li>-Foundations</li> <li>-Corporations</li> <li>-Corporate Foundations</li> <li>-Industry</li> </ul>
Purpose	The donor may specify an area of interest or a goal to be funded with their gift.	The sponsor specifies how the funds should be used as outlined in supporting documentation (award letter or grant agreement)
Value Exchange	No implicit or explicit value is exchanged other than recognition.	No implicit or explicit value is exchanged other than recognition and/or reporting.
Reporting	The institution has little or no obligation to report to the donor on how the gift is used or invested. Loyola 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.	The sponsor requires performance of specific duties such as research budget (expense, financial) reports, progress (programmatic) reports, and return of unused funds.
Proposal Process	Initiated by donors, advancement staff or faculty members.	Initiated by sponsor, advancement staff or faculty members (working together with ORS and CFR).
Document	Letter of Donation/Gift	