

# anSRS4u

ANSWERS FOR YOU

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## Is it a Gift or a Grant?

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Presented by  
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Sponsored Research Services

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TEXAS A&M UNIVERSITY  
Division of Research

# Gift or a Grant?

- Grants are reciprocal in nature. Each party is giving and receiving something of relatively equal value in the transaction.
- A gift or contribution is an item given by a donor who expects nothing significant of value in return, other than recognition and disposition of the gift in accordance with the donor's wishes.
- Gifts may have a requirement that the money be spent for a specific purpose, but should otherwise carry no other requirements.

# Factors used to determine Gift or Grant:

- **Funder Statement of Mechanism:**
  - **Grant** – Funding agency states in the program announcement that the award is a grant.
  - **Gift** – Donor explicitly states that he or she intends the award to be a philanthropic gift.

# Factors used to determine Gift or Grant:

- **Initiative for the Project**
  - **Gift - Initiative for the donation typically comes from the donor but may result as a need/wish specified by recipient.**
  - **Grant - Initiative for the project typically comes from the funding agency through a request for proposals, program announcement, etc.**

# Factors used to determine Gift or Grant:

- **Technical or Scientific Data**
  - **Gift – The funder does not require technical or scientific data to be given to them as a condition of the award.**
  - **Grant - The funder requires technical or scientific data to be given to them as a condition of the award.**

# Factors used to determine Gift or Grant:

- **Deliverables**
  - **Gift – Deliverables achieved (if any) do not benefit the funding agency.**
  - **Grant - Deliverables benefit the funding agency and are in line with their purpose.**

# Factors used to determine Gift or Grant:

- **Intellectual Property**
  - **Gift** – The funder makes no claim on the patents, copyrights, or other intellectual property rights resulting from the supported activities.
  - **Grant** - The funder may make claim on the patents, copyrights, or other intellectual property rights resulting from the supported activities.

# Factors used to determine Gift or Grant:

- **Restrictive Provisions**
  - **Gift** – The funder may request information related to the use of funds, but the award does not include restrictive provisions, such as delays or reviews prior to publication of results or disposition of tangible property.
  - **Grant** - The award may include restrictive provisions, such as delays or reviews prior to publication of results or disposition of tangible property.



# Factors used to determine Gift or Grant:

- **Equal Value Exchange**
  - **Gift** – Funds are not received in exchange for goods and services. There is NO equal value of exchange where the Funding Agency is receiving deliverables roughly equal to the funds they are providing. No “quid pro quo” situation exists.
  - **Grant** - Funds are received in exchange for goods and services. There is an equal value of exchange where the Funding Agency is provided deliverables roughly equal to the funds they are providing. A “quid pro quo” situation exists.

# Factors used to determine Gift or Grant:

- **Performance Objectives**
  - **Gift – The funder does not establish a strict and non-negotiable set of performance objectives. There is no time period associated with the use of the gift. Note: A philanthropic gift may be restricted in nature, but it does not dictate how the work will be accomplished.**
  - **Grant - The funder establishes a set of performance objectives. There is a specified time period associated with the use of the funds or items, i.e. a period of performance, including start and stop dates.**

# Factors used to determine Gift or Grant:

- **Penalties for Non-performance**
  - **Gift – System Member will not be liable for punitive/economic penalties associated with the donation. Note: This does not include a conditional gift where funds are withdrawn or denied if certain conditions are not met.**
  - **Grant - System Member may be liable for punitive/economic penalties for failure to meet the terms of the agreement.**

# Factors used to determine Gift or Grant:

- **Repayment of Unspent Funds**
  - **Gift** – There are no restrictions on usage of the funds or the time period in which to spend them. There are no budgets associated with the donation.
  - **Grant** - The funder may require that funds remaining at the termination of the project be returned or may require formal permission to spend outside of the defined budget period.

# Factors used to determine Gift or Grant:

- **Unspecified Results**
  - **Gift** – The funder allows unspecified results (outcomes). There is no predetermined outcomes associated with the donation.
  - **Grant** - The goals of the project are very clearly defined and certain objectives are expected to be met.

# Factors used to determine Gift or Grant:

- **Research Compliance**
  - **Gift – The project does not require review and oversight from IRB/IACUC, biosafety, or other research compliance areas. A new Financial Conflict of Interest is not identified. Time and effort reporting are not affected.**
  - **Grant - The project requires review and oversight from IRB/IACUC, biosafety, or other research compliance areas, as applicable. Any Conflict of Interest that may be associated needs to be identified. Time and effort reporting are affected**

# Case Studies

## Case Study 1

The Juvenile Diabetes Foundation (JDF) is interested in funding research at Texas A&M. Dr. X is contacted by the JDF and the foundation indicates that it wants to give a gift to support Dr. X's research. They suggest that Dr. X submit a proposal to the foundation. After reviewing the proposal, the JDF is interested in funding the proposal and they send \$100,000 to be spent to fund this research to achieve the outcomes in the proposal. Dr. X has 3 years to conduct the research after which time, any unspent funds will be returned to the JDF.

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## Grant

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# Case Studies

## Case Study 2

An individual has approached Texas A&M and is interested in funding Dr. Y due to their research in sustainable agriculture. They want to commit \$100,000 a year for 5 years to fund research into sustainable agriculture. They only require that the money be spent on research into sustainable agriculture, and they want to be kept aware of how the money is spent.

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## Gift

This would be a restricted gift to a specific individual and financial accounting to the donor is acceptable

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# Case Studies

## Case Study 3

A Foundation that supports affordable housing is approached by a professor (Dr. Z) who conducts research into low cost construction methodologies. The foundation is interested in contributing to the work of Dr. Z and they want to make a gift to the university to sponsor Dr. Z's work.. Given the non-profit mission of the foundation, they only require that any intellectual property that is created using gift funds be given to the public at no charge.

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# Case Studies

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**Grant**

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# Process for Gifts and Grants

- Texas A&M Foundation processes gifts to the System Members.
- Texas A&M Sponsored Research Services processes grants for System Members.

# Process for Grants

- Sponsored Research Services processes research grants.
- Proposal
  - A proposal needs to be routed for a Grant
  - System member entities are alerted as to the nature of the research and the commitments of the faculty/facilities.
- Grants – Sponsored Research Services
  - Terms for the Grant are negotiated with the Sponsors
  - Negotiators work with the PI/Dept/College to resolve any issues with sponsor terms and conditions.

# Process for Grants

- **Acceptance Process**
  - Grants are often signed by both parties, or may be unilateral.
  - The university must agree to the terms of the award in order for the account to be set up and funding spent.
- **Accessing Funds**
  - An account is set up once the award is accepted
  - Funds are utilized and administered in accordance with the terms of the award.

# Contacts for Determining Gift or Grant

## Texas A&M Sponsored Research Services:

- Katherine V. Kissmann, Director of Research Contracts, Texas A&M Sponsored Research Services; Email: [kkissmann@tamu.edu](mailto:kkissmann@tamu.edu); 979-458-8176
- Travis Young, Associate Director for Contract Services, Texas A&M Sponsored Research Services; Email: [tyoung@tamu.edu](mailto:tyoung@tamu.edu); 979-862-5948
- Texas A&M Foundation:
  - Development officer/Team for your respective college/Member
  - Mainline contact [info@txamfoundation.com](mailto:info@txamfoundation.com); 979-845-8161

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## THANK YOU

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