

ORSP FAQ Sheet: Grants vs. Gifts

Background- Gift vs Grant

It is important to clarify the differences between when funding is considered sponsored research/programming and when it is considered a gift. The words gift and grant are often mistakenly used interchangeably. There are specific indicators and conditions associated with each that determine the proper categorization. It is these indicators and conditions that will ultimately determine how the funding should be processed by the university. Gifts and Grants have vastly different administrative requirements that are important to keep in mind.

Gifts

When something is a gift, it is a monetary award with no strings attached to it. This means that the money associated with the award is usually not designated for anything specific. Gifts are usually given for general operating or support purposes. There are no expectations or restrictions, meaning that there are no requirements or restrictions associated with the funding; no reciprocity is expected or implied. Requirements typically associated with sponsored programs are not associated with the funding, this includes no reporting (financial or programmatic) requirements and no expectation regarding deliverables. A gift has no performance objectives associated with it and there is usually no time limit associated with the finding. Unspent funds do not have to be returned to the sponsor. Gifts do not usually have research compliance (IRB and IACUC) associated with them. There is no agreement or contract in place between the funder and the institution which outlines expectations for the relationship. Once there are specific requirements put on the funding, it is no longer considered a gift.

Grants

Funding that is considered a sponsored program/grant has conditions and specific restrictions associated with it. It is reciprocal in nature, the funder gives the institution compensation for specific work or research with clearly defined expectations. There is a contractual agreement mechanism in place between the funder and the university that clarifies these expectations, as well as the requirements associated with this award. These requirements might include programmatic concerns, reporting parameters, and expected deliverables. There is usually a time limit associated with a grant award that defines specific start and end dates. Exact and strict performance objectives are established that are considered non-negotiable. Unspent funds do have to be returned to the sponsor. Research compliance might be a feature of the grant award. The contract that is in place with this funding is legally binding to protect the interests of all parties. Compliance with the parameters of the contract is a requirement. Failure to comply is considered a breach of the contract and could have legal ramifications for the institution and the Principal Investigator.

101 Vera King Farris Drive | Galloway NJ 08205-9441
 stockton.edu

The table below summarizes some key differences between Gifts and Grants

Conditions	Gift	Grants
Is there a contract/agreement in place?	No contract/agreement	Yes, there is a contract
Are specific performance objectives defined or expected?	No	Yes
Does the funder expect deliverables (data, reports, presentations) as a result of this award?	No	Yes
Are there defined start dates and end dates?	No	Yes
Can unspent funds be kept by the researcher?	Yes	No
Does the funder have a claim to any potential intellectual property?	No	Yes, potentially (depending on how it is defined in the contract)
Are there specific reporting requirements established?	No, usually there is no reporting	Yes
Is Research Compliance a potential requirement?	No	Yes
Is effort reporting required?	No	Yes
Are there any penalties for not completing the project?	No	Yes
Are there restrictions on how funding can be spent?	No	Yes