



Distinguishing between a Gift, Grant and Contract Supporting Research

FACTOR	GIFT	GRANT	CONTRACT
Source	Individuals; Family, Corporate and other Foundations; Donor Advised Funds; Corporations	Government Agencies; Non-Profit Organizations; Corporations	Government Agencies; Non-profit Organizations; Corporations
Purpose	Gifts are used in accordance with the intent of the donor and for the purpose of the gift fund to which they are processed.	Funds are provided in support of an institutional goal or public purpose designed by the Principal Investigator.	Procurement mechanism for purchasing a specific service or product.
Proposal Process	Informal process, with proposals created for certain donors, programs and/or projects. Would likely contain a summary of the project or program costs, as a fundraising "ask"; no deliverables or quid pro quo included.	Formal process, usually including a statement of work and budget. May be in response to a request for proposals or other funding announcement which could be broad or specific.	Formal process, usually including a statement of work and budget. May be in response to a request for proposals or other funding announcement which is usually very specific.
Scope of Work/Budget	N/A	The Principal Investigator defines the scope of work which is included in the award document.	Joint or Sponsor defined Scope of Work which is included in the contract.
Document	Most gifts have no formal documentation. If documentation exists, it may be a gift letter, or other governing document outlining the intent of the gift. All endowments <i>must</i> have a governing document.	Award Letter or Grant Agreement	Contract
Value Exchanged/ Deliverables	Nothing beyond an assurance that the intent of the gift will be honored. The donor receives no consideration in exchange for the gift.	Deliverables are provided as outlined in the scope of work including a final report or other tangible deliverables. Acknowledgement the sponsor in any publications.	Goods or services are delivered on specific dates, which might be referred to as milestones as defined in the contract.
Reporting	Courtesy reports to the donor about the impact of the gift are encouraged but generally not required.	Specific reporting requirements as defined in the agreement, which might include progress reports and a final report.	May require progress reports, which may coincide with milestones as defined in the contract.
F&A (Facilities and Administrative) Cost Rates	N/A	F&A cost are typically assessed at the University's federally negotiated rate, or a reduced or no rate as determined by the sponsor's written policy.	F&A cost are typically assessed at the University's federally negotiated rate, or a reduced or no rate as determined by the sponsor's written policy.
Deadline/Period of Performance	N/A	Specific period of performance is defined	Specific period of performance is defined
Excess Funds	Gifts <i>cannot</i> be returned to the donor, unless exceptions are made when the gift is made (e.g. contingent project dates or program milestones must be met.)	The sponsor may require return of unspent funds.	The sponsor may require return of unspent funds.
Penalty for Non-Performance	No financial penalties, but the reputational risk of non-compliance can be severe.	Sponsor may terminate the award and require the return of some or all funds.	Sponsor has the right to stop work or terminate the contract for non-performance.