


APPENDIX A


Can my agreement be a gift?

The determination of an agreement as a gift or a sponsored project will depend on the interpretation of the agreement as a whole.

While not an all-inclusive list, the following requirements are never allowable in a gift agreement.

	<p>In a gift agreement, the sponsor/donor cannot:</p> <ul style="list-style-type: none">• Direct or review appointments, hires, research or other activities.• Direct research towards particular results or point of view.• Be involved in carrying out the purposes of the gift.• Receive goods, services, or other deliverables related to the purpose of the funding, including technical reports, data, and analysis.• Receive proprietary rights or other privileges, such as patents/licenses (or options to IP rights), copyrights, or advance and exclusive knowledge, publishing and/or use of research outcomes and results of work. Sometimes this may be intangible, uncertain, or difficult to measure, as research may not always result in proprietary discoveries, but this is still considered an exchange of value.• Require funding to be directed only to the activity of specific individuals or approve a change of PI/faculty.• Require payments for work on a cost reimbursement basis or achievement of specified milestones, outcomes, outputs or levels of service.• Select, lead or have equal representation on an advisory committee.
---	---

The following administrative requirements are generally permissible in a gift agreement:

	<p>A gift agreement may include:</p> <ul style="list-style-type: none">• Detailed progress or financial reports or meetings.• Payment due depending on receipt of reports or meetings.• Line item budgets and approval for budget changes.• Timeframes for work to be completed or approval of an extension to complete.• Reference to a faculty member in recognition of their work, support to an area of activity conducted by named faculty members, or notification of a change in faculty, as long it is clear that the gift is to the University and is subject to our administrative and financial oversight and control and in accordance with the Gift Policy Manual (“Impermissible Private Benefit”).• Audit requirements.• Advisory committee where Columbia selects and has the majority of members.• A right to return funds and/or a release from obligation to provide funding (as long as there are no other controls creating a barrier to entitlement of the gift).
---	--

APPENDIX B

The following are common factors to be considered when distinguishing if a contribution should be classified as a gift or sponsored project. Please note that the terms used in correspondence with a funder (“gift” or “grant”) may vary from the University’s classification and does not generally pose a concern.

This chart presents the distinction between grants and contracts, as this difference may be important for central departments such as OAD, SPA and the Controller’s Office. The distinction is typically not relevant for academic/administrative departments as these are both sponsored projects administered by SPA.

	GIFTS	SPONSORED PROJECTS	
		Grants	Contracts
Purpose of funding	Broad purposes to support the University’s mission, including support of our schools, departments, centers, research, and financial aid. Donors may also restrict the use of a gift to the support of a particular activity, but the University must retain control over the gift.	Support specific or narrowly defined projects or activities, typically proposed by the Principal Investigator (PI). The PI controls the direction of the inquiry process. The sponsor provides assistance to the PI to undertake the proposed scope of work.	Support specific or narrowly defined projects, typically proposed by the sponsor. The sponsor issues a detailed Requests for Proposals-RFAs, that require that the PI undertake a specific course of action and provide data, analysis, devices or other specified deliverables within a set time frame.

<p>Donor control and University discretion</p>	<p>IRS regulations and University policy prohibit donor control over the application and administration of a gift. Donors may not direct appointments, research or other activities; direct research towards particular results or point of view; or be involved in carrying out the purposes of the gift.</p> <p>At times, donors may establish conditions to be met or an event to occur before their gift will be made, such as construction completion, matching requirements, or the hiring of an incumbent to fill a professorship.</p>	<p>The PI controls the direction of the inquiry process. Sponsor retains varying levels of control or limits discretion in how the work is carried out. This may include following the sponsor's work plan and protocols; requiring review of research; or adhering to detailed spending, reporting and monitoring requirements.</p>	<p>The sponsor has a tight control over the scope of work and utilization of funds.</p>
<p>Provision of goods or services</p>	<p>No goods or services may be provided. The IRS makes exception for low-cost gifts given to donors (i.e. mugs, tote bag).</p>	<p>The sponsor may not receive goods or services in exchange for providing funding.</p>	<p>The sponsor may receive goods or services in exchange for providing funding.</p>
<p>Provision for proprietary rights or privileges</p>	<p>No proprietary rights or privileges may be provided.</p> <p>Publicity of the gift and rights to non-exclusive, royalty free licenses to publish or make information available for open access are acceptable.</p>	<p>No proprietary rights or privileges may be provided.</p> <p>Publicity of the gift and rights to non-exclusive, royalty free licenses to publish or make information available for open access are acceptable.</p>	<p>The sponsor may be granted proprietary rights or other privileges, such as exclusive patents/licenses (or options to IP rights), copyrights, or advance and exclusive knowledge, publishing and/or use of research outcomes and results of work. Sometimes these rights may be intangible, uncertain, or difficult to measure, as research may not always result in proprietary discoveries, but this is still considered an exchange of value.</p>

Proposals	Proposals are not required, but may be submitted as part of the ask. If provided, proposals should remain at a high-level, and avoid extensive detail and description of milestones, output and outcomes giving the impression the donor is requiring that work.	Detailed proposals, grant applications and scopes of work are required.
Required outcomes and results	Agreements or proposal may discuss goals and aims or the project or research. The University should largely be responsible for defining the parameters.	Agreements or detailed proposals may list required milestones, outcomes, outputs, or specified levels of service. The sponsor may be responsible for defining the parameters.
Budgets	Budgets are not typically required. If included, provide a high-level, general budget or description of expenses to be funded.	Budgets are required, typically detailing individuals participating on the project and line item expenses. Often requires approval for budget changes between line items.
Spending policies	Spending is in accordance with donor intent and in accordance with the University's policies on financial oversight and expenditure control.	Sponsor may require adherence to expense policies and guidelines or pay the University either upon timely completion of activities within the timeline detailed or on a cost reimbursement basis once work is completed.
Timeframe	Not typically required to be used within a specific period of time.	A time period is specified during which activities are to be conducted and completed. Sponsor approval is typically needed for an extension of time.

Reporting	Reporting is typically a voluntary but vital stewardship activity. Agreements may require narrative and financial reporting or meetings, and payment due or made depending on completion.	Reporting is required and sponsors typically request detailed progress or financial reports or meetings, and payment due or made depending on completion. Sponsors may ask for other deliverables related to the purpose of the funding, including technical reports, data, and analysis.
Designation for a specific faculty member and notification of a change	Gifts referring to a specific faculty member in recognition of their work or support to an area of activity conducted by named faculty members may be permitted, as long it is clear that the gift is to the University and is subject to our administrative and financial oversight and control, including faculty changes. Language in the agreement is important so please consult the Gift Policy Manual (“Impermissible Private Benefit”) for further detail.	Sponsors typically award to a specific project conducted by specific faculty members. Funding may relate to requirements to hire a specific individual or direct the funding to the activity of a single individual. Sponsors may require notification and/or approval of a change in PI or could potentially discontinue funding if the PI is no longer conducting that research or overseeing the work or transfer to another organization.
Advisory committees	Advisory committees are rare but may be allowable if the University, and not the donor, appoints the majority of the members.	Sponsor may lead or have equal representation on an advisory committee.
Audit requirements	Donors may be permitted to audit spending or review records.	Sponsors may have audit or review requirements, sometimes extensive.

Right of return of funds and/or unexpended funds	This is typically not present, as the right to the funds is vested in the University. A right to return funds (or a release from obligation to provide funding) for non-compliance could be present in a gift agreement, as long as there are no other barriers to entitlement of the funding.	A right to return funds/unexpended funds or release from obligation to provide funding is specified.
--	--	--

Note: Whether indirect cost or administrative fee rates are allowable are not a factor in determining whether an agreement is considered a gift or sponsored project. These costs may be charged unless prohibited by the agreement. The indirect cost rate that may be charged to a private grant (PG project) will be dependent on the sponsor's guidelines. The administrative fee charged to gifts and/or endowment payout (GT or EN projects) is at the rate chosen by each School, not to exceed the Trustee approved amount of 10% of expenses incurred. For more information see the [Columbia Research website](#) or the [Endowment and Gift Compliance website](#)

Appendix C

Accounting Decision Tree

