

Gift, Grant, or Contract?

A beginners guide to navigating
what is what in research
administration.

University of Wisconsin Madison

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Disclaimer

Check the policies, definitions, and procedures at your institution. It's realized that there may be many differences of opinions and different ways to administratively define gifts, grants, and contracts.

GIFT

Awards given with few or no conditions specified. Gifts typically have no contractual requirements and require no deliverables.

In other words, no strings attached.

UW Gift Requirements

- The gift must provide support for broadly defined activities. The donor may restrict the use of funds to a specific program area or purpose.
- No detailed technical or fiscal reports are required.
- All patents, copyrights and other IP rights are not claimed by the donor.
- The gift contains no restrictive provisions, such as delays or advance notice concerning publications.
- The gift is irrevocable by the donor.

http://www.rsp.wisc.edu/policies/UWF_Policy.pdf

GRANT

Financial assistance awarded for the conduct of research or other programs as specified in an approved proposal. The sponsor usually anticipates little or no substantial programmatic involvement during the performance of the work.

- Grants are typically discovery oriented and the research idea originates with the "performer".

CONTRACT

A mechanism for procurement of a product or service with specific obligations for both sponsor and recipient. Typically the research topic and methods for performing the work are specified in detail by the sponsor. The sponsor has more involvement and uses the project to achieve a specific outcome or goal. A contract is a legally binding document that is intended for specific results and if those results are not accomplished or delivered, the sponsor may exercise its legal rights to seek remedies.

Contracts are typically outcome oriented and the research idea originates with the sponsor.

Key Differences between Grants and Contracts

Grant-

- PI (loosely) defined work-scope
- technical and financial reporting requirements
- specific financial and performance terms
- publications required
- OMB A-110
- OMB A-21
- no signatures, usually

Contract-

- Specific work-scope
- defined deliverables, reports, milestones
- specific financial and performance terms
- A-110 does not apply
- FAR clauses
- signatures required
- RFPs
- defined IP ownership

Exceptions

There may always be exceptions to the definitions, such as a funding that may be intended for a specific purpose but treated as a gift. Also, there may be documents that somewhat appear to be a contract, by definition, but your institution may treat as a grant.

Who are the Key Players?

- Department Research Administrators
- Deans Offices
- Principle Investigators
- Research and Sponsored Programs Office
- Sponsor Contacts

Conversations with the Sponsor

- determine the purpose of the proposed relationship.
- determine the intended end result.

It may be helpful to ask questions regarding the following:

- Is this flow-through funding? Who is the prime sponsor?
- Any reporting requirements? Publication Requirements?
- Data ownership issues? Who owns IP?
- Required Sponsor terms and conditions?

Who are the key players at
your institution?

Other Types of Funding

- Service Contracts (Fee-For-Service): Typically are for services that faculty and staff may be providing to a sponsor that does not involve any intellectual property (i.e. lab testing, etc.)
- Subawards: Usually involve signatures from both parties and often treated as a contract, even though it may be a subaward from a grant; occasionally the contractor may insert their own terms and conditions into the subaward for the subawardee to agree to, beyond the terms of the prime award

Other Types - Cont'd

- Shared Grants, amongst universities within a university system: Used to avoid double reporting funding to a centralized board, responsible for full system
- Internal Awards: Awarded through internal funds and should not be treated as sponsored projects
- Purchase Orders (PO): Can be for a service or issued for payment on a contract, etc. A PO alone can act as the award, with no further documentation.

Case Study #1

The University receives a check, just a check, and the PI and his dept inform their sponsored projects office to deposit the check into a gift account. Shortly after, the PI forwards an email from the sponsor of the check asking for a financial report.

Is this a gift, grant, contract or other?
Do we need more info?

Case Study #2

Gift, grant, or contract?

**Contract Between
Wisconsin Goat Cheese Coalition ("WGCC")
And
The University of Wisconsin ("Grantee")**

Whereas, WPIB has awarded a grant title "Profiling meltability in the Goat Cheese Trial" to the Board of Regents of the University of Wisconsin. This agreement is entered into for the contract period of April 1, 2011, through June 30, 2014.

Now therefore, it is agreed between the parties that the Wisconsin Goat Cheese Coalition shall pay the Grantee the sum of \$15,000 to be paid by June 30, 2014.

The sum of \$15,000 shall be used to quantify the meltability of goat cheese included in the goat cheese trial. Specific objectives include creating fat and sugar profiles for each goat cheese line included in the goat cheese trial, conduct commercial scale microwave trials on fast track cheese lines and conduct agronomic and storage trials and create production profiles for fast track cheese lines.

The Grantee shall supply all the necessary personnel, equipment, and materials to accomplish the tasks.

The research supervisor shall submit an article for publication in the WGCC Badger Cheesy Journal. This agreement shall expire on the 30th of June 2014.

Submit invoices to: WGCC
10 Main Street
Melt-a-way Row, Madison WI 53712

Approved by the WGCC this ____ day of ____ 2011.

Case Study #3

The University receives an agreement .

The Agreement has a period of performance, a specific scope of work, a budget and a reporting requirement.

There are questionable Intellectual Property terms that are not consistent with your University Policy. (Sponsor owns the data and all rights to IP).

The Budget and Scope of Work includes fees for reading x-rays and funding for salary and wages.

Gift, Grant, Contract or Other?

Questions?

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