

Action Sheet

Check one below:

- Letter/Memo
- Contract/Agreement
- Lease – New _____ Renewal _____ Other _____ **Associated Entity? Y/N**
- Easement
- UNC- GA
- Reimbursement
- Other

Date: 10/16/17

Originating Dept: Treasurer Office

Contact/Phone: T Groelle_ 5-8857 _____

RUSH-DATE: _____

Subject: 3D – Definition of Gifts, Grants and Contracts

Reviewed/Signed off by/Date:

| | |
|-----------------|--|
| Budget Office* | |
| Legal* | <i>[Signature]</i> |
| Other | <i>[Signature]</i> |
| AVC | <i>mpd 10/16/17</i> |
| Notary* | |
| Witness* | |
| Vice Chancellor | <i>[Signature]</i> 10.24.17 *if required |

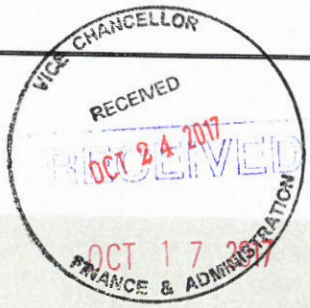
Signature(s) required: Scott R. Douglass, Alan Rebar, Brian Sischo

Notary
Witness

Final distribution by? Chancellor's Office

Final version sent via: Mail Electronically

Background/Instructions:



VC Comments:

NC State University
Office of General Counsel

Return to:

- Budget and Resource Management, Box 7013
ATTN: Maggie Heffelfinger
- Campus Enterprises, Box 7291
ATTN: Katie Price
- EH&PS, Box 8007
ATTN: Valerie McHugh
- Facilities, Box 7232
ATTN: Julia Brooks
- Finance Division, Box 7010
ATTN: Tabitha Groelle
- Human Resources, Box 7563
ATTN: Corrinna Watkins
- RED, Box 7408
ATTN: Caroline Malouse
- OGC, Box 7008
ATTN: Stephanie Grossman
- Other

MEMORANDUM

TO: Deans, Directors and Department Heads

FROM: Scott Douglass, Vice Chancellor, Finance and Administration
Alan Rebar, Vice Chancellor, Research, Innovation & Economic Development
Brian Sischo, Vice Chancellor, University Advancement

SUBJECT: Definition of Gifts, Grants and Contracts

DATE: October 16, 2017]

The purpose of this memorandum is to provide guidance for the proper recording of gift, grant, and contract funds for NC State University (University), and associated foundations. This memo supersedes the previous memo issued on this subject from July 11, 2011.

GIFT – A gift is a voluntary and nonreciprocal donation of personal (cash, securities, books, equipment, life insurance, etc.) or real property provided by a non-governmental donor for which no goods or services are expected, implied, or forthcoming. Should goods or services be provided in exchange for a gift, the value of those benefits must be subtracted from the donation amount and the net will be recorded as a gift. Providing the donor the names of recipients of scholarships, awards, or providing a summary of how the funds were expended does not prevent the contribution from being considered a gift. Gifts may be outright or deferred, and may be restricted for a specific purpose, or unrestricted in nature. If the gift is restricted, all expenditures must relate to the purpose of the gift, as stated by the donor. Additional University policy information on fundraising activities and acceptance of private donations is contained in NCSU POL03.00.01, located at: <https://policies.ncsu.edu/policy/pol-03-00-01>.

The entity in which gifts must be recorded is generally determined by how the check is made payable, unless adequate written documentation (gift solicitation, communications, or other adequate written support) is provided to support the donor's intent to deposit into a specific/different legal entity. When a gift is designated to an endowment for the benefit of the institution or an associated foundation, and the endowed fund does not exist, the Vice Chancellor for University Advancement, or designee, and the University Treasurer, or designee, must personally review and approve the endowment agreement. A standard endowment agreement template has been established, and any deviations from the standard agreement must also be approved by the Vice Chancellor for University Advancement and University Treasurer prior to obtaining signatures from donors. Gift agreements from corporation/foundation donors should also be reviewed and approved by the office of Corporation and Foundation relations. Any gifts are subject to the University's Standard Operating Procedures for Acceptance of Gifts found at: <https://go.ncsu.edu/sopgiftacceptance>.

GRANT – Nonspecific – Occasionally a donor (usually a philanthropic foundation, or other non-profit organization) may designate or refer to a gift as a 'grant'. Nonspecific grants usually result from the submission of a proposal. Provided that the donor does not receive benefit from such a grant, and

provided that the provisions of the grant do not contain a comprehensive set of terms and conditions such as, but not limited to intellectual property, scholarly publications, or fiduciary obligations including financial reporting, return of unused funds, or audit requirements, such grants are administratively handled the same way as a gift and are subject to the University's Standard Operating Procedures for Acceptance of Gifts referenced above. If a proposal was submitted to the donor, the proceeds of the grant must be recorded in the entity in whose name the proposal was submitted. Nonspecific grants are generally processed through the Office of Advancement Services and are counted in official fundraising totals. All gifts and nonspecific grants are subject to assessments.

Any questions directly related to gifts or non-specific grants should be directed to the Associate Vice Chancellor, Advancement Services.

GRANT – Specific – Specific grants result from a successful grant proposal submitted by the University and typically name lead and collaborative investigator(s) from the University's faculty who oversee the performance thereof. The University commits resources or services as a condition of the grant to carry out a specified project and is subject to terms and conditions, a specific period of performance, and may require delivery of a product, usually a technical report. Specific grant agreements promulgate administrative terms and conditions governing the use of the funds and often address the University's rights in intellectual property, scholarly publications, and fiduciary obligations such as performance and financial reporting as well as requirements for audit. In general, Facilities and Administrative Costs (F&A) should be charged at federally negotiated rates established by NC State for project type and location. Any exceptions must be approved in advance by the Vice Chancellor, Research, Innovation & Economic Development.

Specific irrevocable grants from non-governmental entities generally are counted in official fundraising totals to the extent that the value of benefits received in return are deducted, while specific grants from foreign, federal, state, county, and local/city governmental agencies are generally not included in fundraising totals with the exception of a very few entities previously approved by the Vice Chancellors for Finance and Administration and University Advancement.

Specific grants as described above must name as the recipient, NC State University, be recorded in the University's books, and are submitted and managed by the office of Sponsored Programs and Regulatory Compliance Services (SPARCS). Any exceptions allowing specific grants in an associated foundation must be approved in advance by the Associate Vice Chancellor, Finance and University Treasurer and the Associate Vice Chancellor, Research, Innovation & Economic Development or his/her designee.

CONTRACT – A contract for scholarly endeavors (broadly defined as research and development, extension and economic development, instruction, training and public service) is a written agreement defining the role of the University in executing performance outlined in a narrowly defined scope of work. The University's responsibility under a contract involves the generation of a product or service, may contain provisions for the exclusive or proprietary use of results, is subject to explicit standards of performance, and involves monitoring by the sponsor through regular progress and financial reporting.

Contracts for scholarly endeavors must name as the recipient NC State University, be recorded in the University's books, and are submitted and managed by the office of Sponsored Programs and Regulatory Compliance Services (SPARCS). These payments are never included in official fundraising totals.

Any questions directly related to contracts or specific grants should be directed to the Associate Vice Chancellor, Research, Innovation & Economic Development.

Questions/Conflicts about Determination of Fund Type

In the event there are conflicts about the appropriate treatment of funds coming to the University, or associated foundations, the final determination shall be made jointly by the Vice Chancellor, Finance and Administration, the Vice Chancellor, Research, Innovation & Economic Development, and the Vice Chancellor for University Advancement, or their designees. For additional resources to distinguish between a gift, grant and contract, visit <https://go.ncsu.edu/giftsgrantscontracts>.