



## POLICY FOR DETERMINING A CHARITABLE CONTRIBUTION VS. SPONSORED PROGRAM

This form shall be used for the adoption, revision, or withdrawal of all “University-wide” polices at the University of Louisiana at Lafayette. Any policy developed or revised in any format (print or online) that is inconsistent with this format is not an official UL Lafayette policy.

- ✦ To begin the policy development and adoption process, the Responsible Officer is to replace the *italicized* text below with proposed policy information. This form along with a Policy Action Form (Appendix “B”) must then be submitted to the appropriate authority.
- ✦ For additional guidance on drafting University Policy, see the Policy Development Checklist and the Guidelines for Drafting University Policy.

Check the appropriate classification

<input checked="" type="checkbox"/> Policy Adoption	<input type="checkbox"/> Policy Revision	<input type="checkbox"/> Policy Withdrawal	<input type="checkbox"/> Interim Policy
-----------------------------------------------------	------------------------------------------	--------------------------------------------	-----------------------------------------

Check the appropriate Functional Field

<input type="checkbox"/> Academics	<input type="checkbox"/> Enrollment	<input type="checkbox"/> Research
<input type="checkbox"/> Administration & Finance	<input type="checkbox"/> General University	<input type="checkbox"/> Safety & Risk
<input checked="" type="checkbox"/> Advancement	<input type="checkbox"/> Human Resources	<input type="checkbox"/> Student Affairs
<input type="checkbox"/> Athletics	<input type="checkbox"/> Information Technology	

**POLICY FOR  
DETERMINING A  
CHARITABLE  
CONTRIBUTION VS.  
SPONSORED PROGRAM**

**Policy #** UA.003.1

**Responsible Executive:** Vice President for  
University Advancement

**Responsible Office:** Development

**Originally Issued:**

**Latest Revision:** DRAFT

- I. [Policy Statement](#)
- II. [Purpose of Policy](#)
- III. [Applicability](#)
- IV. [Definitions](#)
- V. [Policy Procedure](#)
- VI. [Enforcement](#)
- VII. [Policy Management](#)
- VIII. [Exclusions](#)
- IX. [Effective Date](#)
- X. [Adoption](#)
- XI. [Appendices, References, and Related Materials](#)
- XII. [Revision History](#)

## I. Policy Statement

Pursuant to this Policy, it is important that the University of Louisiana at Lafayette (“University”) clarify and properly determine whether incoming funds are a *Charitable Contribution* or a *Sponsored Program*. This clarification and determination is necessary to ensure the University’s compliance with applicable federal, state, and local laws, and with the specific terms and conditions as set forth by the donor or sponsor of any award or contribution. The applicable approval and acceptance procedures, as well as the accounting, financial recording, reporting, oversight, compliance, and stewardship practices vary depending on the classification of whether funds are a *Sponsored Program* or *Charitable Contribution*. To ensure proper administration of funds received, various considerations must be reviewed to determine the type of funding and the appropriate repository.

## II. Purpose of Policy

The University frequently and regularly receives funding from a variety of sources including, but not limited to: governmental sources, corporations, corporate foundations, family and private foundations, individuals, trusts and estates, and professional associations. The purpose of this Policy is to create a set of guidelines designed to help secure external funding while ensuring proper acceptance, processing, and timely reporting of funding received by the University or for the benefit of the University (e.g., through the University of Louisiana at Lafayette Foundation (“UL Lafayette Foundation”), University of Louisiana at Lafayette Alumni Association, Ragin’ Cajuns Athletic Foundation (“RCAF”), etc.).

### 1. *Charitable Contribution*

*Charitable Contributions* are *Financial Assistance of Gifts in Kind* donated or otherwise made to support the operations or other activities undertaken by the University. University employees should work with the Office of Development to identify, solicit, and secure *Charitable Contributions* and to

help establish the intent of the donor/sponsored awardee. It is important to look at the intent of the funder and the requirements associated with the funds to determine whether it qualifies as a *Charitable Contribution*.

## 2. *Sponsored Program*

*Sponsored Programs* are contractually binding arrangements which establish a *Quid Pro Quo* relationship or where *Funders* govern the use of funds as identified in a proposal announcement or grant agreement. Faculty and staff members should work with the Office of Research and Sponsored Programs (“ORSP”) in soliciting for and securing sponsored programs.

### III. **Applicability**

This Policy is applicable to and is enforceable against all University faculty, staff, administrators, students, and individuals affiliated with the University by contract or otherwise (including, but not limited to, non-employees such as vendors and volunteers) as well as all University affiliated organizations, including, but not limited to, UL Lafayette Foundation, University of Louisiana at Lafayette Alumni Association, Ragin’ Cajuns Athletic Foundation, and the Paul and Lulu Hilliard University Art Museum.

### IV. **Definitions**

1. **Charitable Contribution**: is *Financial Assistance* or *Gifts in Kind* donated or otherwise made to support the operations or other activities undertaken by the University where the funder may direct the general purpose of the funds but the actual expenditure of funds is not controlled. The intent of the contribution is philanthropic, meaning the funder expects nothing of significant value in return other than recognition and confirmation that the contribution was used according to the funder’s wishes. These funds are often described by the funding source as a gift, charitable grant, philanthropic gift, unrestricted grant or restricted grant. Other characteristics of a *Charitable Contribution* include, but are not limited to:
  - The contribution may be accompanied by an agreement that restricts the use of funds to a specific University unit or purpose;
  - The contribution is typically irrevocable and funds cannot be returned to the funding source;
  - Stewardship reports noting general outcomes and fiscal accountability may be required, but will not provide specific or tangible intellectual property or deliverables; and
  - Sponsorships for events or activities are often considered *Charitable Contributions*.
2. **Contract**: is a written agreement, often negotiated, between the University and the organization providing the funds and is enforceable by law. A *Contract* generally involves the generation of a tangible product or service often for the exclusive or proprietary use of the *Funder* and is subject to certain standards of performance and the expectation of economic benefit on the part of the *Funder*. *Contracts* usually require frequent, detailed reporting. *Contracts* sometimes involve lengthy bidding procedures, competitive negotiations, and detailed pricing information prior to award.
3. **Cooperative Agreement**: is an agreement that involves a more detailed specification of the conditions and expected results of a *Sponsored Program*. Substantial involvement is anticipated between the sponsor and the recipient during performance of the activity. This involvement may

include directed performance, exchange of employees, frequent reporting, exchange of materials and test results, and specification of performance results.

4. **Facilities and Administrative Costs (“F&A Costs”)**: are those expenses that are essential to the conduct of sponsored institutional activities, but which cannot be readily attributed and directly charged to specific individual programs. See “Rates and Institutional Information” in Section XI.
5. **Financial Assistance**: is money provided to support a public purpose (e.g., health related research). *Financial Assistance* includes gifts, charitable grants, unrestricted grants, and restricted grants. *Financial Assistance* is distinguished from procurements, which involve payment for a specific product or service.
6. **Funder/Funding Source**: is the organization or individual who provides money, revenue, or assets to the University or for the benefit of the University.
7. **Gift in Kind (or In-Kind Donation)**: is a form of *Charitable Contribution* in which, instead of giving money to buy needed goods and services, the goods and services themselves are given.
8. **Grant**: is a term often used interchangeably among corporations, government agencies, and foundations offering *Financial Assistance* to the University. The term “Grant” should not be the sole determining factor in assessing the proper processing of private support through the Office of Development or Office of Research and Sponsored Programs.
9. **Philanthropic Gift**: is a voluntary, non-reciprocal transfer of money or property from a donor to the University. The donor may be an individual, a foundation, a trust or estate, a corporation, or another for-profit or non-profit organization. The donor does not expect to receive anything of value in return and ceases control of the *Philanthropic Gift*. The donor may restrict the use of the *Philanthropic Gift* to meet their philanthropic goals, referred to as a “restricted *Charitable Contribution*.” A restricted *Charitable Contribution* is a contribution designated for a specific purpose or program. If a *Charitable Contribution* is not specified with any restrictions, the University may allocate the funds at its own discretion for its mission. To be categorized as a philanthropic *Charitable Contribution* there should be no obligation to submit detailed technical or financial reports beyond a Stewardship Report to the donor.
10. **Sponsored Program**: is a contract, grant, cooperative agreement, or other external funding that comes from a government agency, foundation, business, corporation, or private individual that typically requires the following:
  - A Statement of Work and delivery of a product or service;
  - The delivery of a program report that includes, but is not limited to results, data, findings, surveys, and financial information, which often provides a tangible benefit to the funder;
  - Specific commitments regarding the levels of personnel efforts or University assets;
  - Stipulations regarding data, publications or intellectual property such as inventions, patents, certain copyrights or licenses;
  - A defined period of performance with effective start and end dates;
  - *F&A Costs* or indirect cost funds; and

- Routing and approval of a proposal through ORSP.
11. **Sponsorship:** is a contribution that typically supports a University event, activity, or program where the donor receives recognition, often in the form of marketing or advertising such as logo placement on a temporary sign, banner, brochure, etc.
  12. **Statement of Work:** is a detailed statement and commitment to a specified project plan, usually accompanied by a project schedule, deliverables, and line-item budget.
  13. **Quid Pro Quo:** is a situation where goods and/or services (i.e., a “deliverable”) are provided, at least in part, as a condition for funding to the University.

## V. Policy Procedure

### A. Proposal Development and Routing Process

1. Because external funders often use the terms “gift” or “grant” in a manner inconsistent with University definitions, the language used by the donor or sponsor should not in and of itself determine the University’s classification of funds and subsequent proposal routing and acceptance or administration of funds.
2. Once the question of *Charitable Contribution* or *Sponsored Program* is determined (see “How to Determine if Funding Source is a Charitable Contribution or Sponsored Program” checklist), the proposal to be submitted to the external funding source should be directed along with all relevant documentation to either the Office of Development or the Office of Research and Sponsored Programs, respectively.
3. The inclusion, exemption, or limitation of *F&A Costs* shall not be the basis for determining whether an award is classified as a *Sponsored Program* or *Charitable Contribution*. Documentation stating the purpose and terms associated with a specific award, the award letter, or notification and the proposal are required before any *Charitable Contribution* or *Sponsored Program* may be accepted and expended.
4. If the question of *Charitable Contribution* or *Sponsored Program* cannot be readily determined by a single party, the Executive Director of Development and the Director of ORSP will meet to review the proposal collaboratively and recommend next steps.

### B. Fund Processing and Reporting

1. All University employees and affiliated organizations including, but not limited to, the UL Lafayette Foundation, Alumni Association, Paul and Lulu Hilliard University Art Museum, and RCAF, who receive funds that benefit the University should first utilize this Policy to determine if the funds are a *Charitable Contribution* or *Sponsored Program*. Establishing the Funder’s intent will usually answer the question as to the proper classification as a *Charitable Contribution* or *Sponsored Program*. The University must deposit the funds according to the Funder’s intent to make the *Charitable Contribution* or *Sponsored Program* and its purpose.
2. The funds must be immediately directed, along with all relevant documentation, to either the UL Lafayette Foundation or the Office of Sponsored Programs Finance Administration and Compliance (“SPFAC”) as follows:
  - *Charitable Contributions:* the check, envelope, and included documentation must to be directed for receipt and acceptance to the UL Lafayette Foundation.

- *Sponsored Programs*: checks and included documentation must be directed to SPFAC for processing.
3. All *Charitable Contributions* and *Sponsored Programs* are to be processed in a timely manner and directed to the correct office consistent with the University's Funds Handling Guidelines and Information (see Section XI). Property Control within the Office of Facilities Management must also be notified of all *Gifts in Kind* of real property.
  4. A proposal initially prepared and classified as a *Charitable Contribution* that subsequently is found to contain disqualifying terms and conditions in relation to the use of the support may require reclassification of the support as a *Sponsored Program*. In such cases, the proposal for external funding will be transferred to the Office of Research and Sponsored Programs for review and processing. The inclusion or initiation of *F&A Costs* in the proposals will also be reviewed. Similarly, a proposal initially prepared as a *Sponsored Program* that is found to have a charitable intent will be routed to the Office of Development for review and processing.
  5. *Sponsored Programs* from private entities will be evaluated for inclusion in University Advancement's annual Voluntary Support of Education ("VSE") Survey. SPFAC will share data with the Office of Advancement Operations information about *Sponsored Programs* from private, non-governmental entities to the extent necessary to allow for appropriate and coordinated stewardship or recognition of the funding party, and if applicable, for purposes of counting and funding in compliance with Council for Advancement and Support of Education ("CASE") Reporting Standards & Management Guidelines.
  6. *Charitable Contributions* will be evaluated for inclusion in ORSP's annual National Science Foundation Higher Education Research and Development ("HERD") Survey, state or system required reporting, or others as applicable. The Office of Advancement Operations will share data with ORSP to the extent necessary to allow for purposes of counting in compliance with the survey or report standards or definitions.
  7. With respect to *Sponsorships*, the Office of Development will review each *Sponsorship* to determine if the return benefit exceeds the value of the contribution. Permanent or exclusive *Sponsorships*, which often originate from the Athletics Department, are typically not charitable as the return value exceeds value of the contribution. Athletic *Sponsorships* are negotiated and processed by Athletics or RCAF.
  8. For similar purposes of management and reporting of *Sponsored Program* funding and research expenditures, the University Office of Advancement Operations will share information about *Charitable Contributions* from industries, corporations, and foundations with the Office of Research and Sponsored Programs to allow for full and accurate reporting on the University's research activity to external agencies.

## VI. Enforcement

The Executive Director of Development, the Director of Research and Sponsored Programs, the Director of Sponsored Programs Finance Administration and Compliance, the Assistant Vice President of Finance, and the Director of Administrative Services are responsible for enforcement of this Policy. Prior to the implementation of sanctions, the Vice President for Advancement, Vice President for Research, Innovation, and Economic Development, Vice President for Administration and Finance, and Chief Human Resources Officer will be consulted.

## VII. Policy Management

Upon adoption, the Vice President for University Advancement shall be the Responsible Executive for this Policy in charge of the management of this Policy. The Executive Director of Development is the Responsible Officer for this Policy. The Office of Development is the Responsible Office for this Policy.

## VIII. Exclusions

N/A

## IX. Effective Date

This Policy shall be effective as of the date of adoption of this Policy.

## X. Adoption

This policy is hereby adopted on this 25th day of June, 2018.

/s/ E. Joseph Savoie

---

**Dr. E. Joseph Savoie**  
**President**

## XI. Appendices, References, and Related Materials

- ✦ [Funds Handling Guidelines and Information](#)
- ✦ [Checklist to Determine if a Funding Source is a Charitable Contribution or Sponsored Program](#)
- ✦ [Voluntary Support of Education Survey](#)
- ✦ [Rates and Institutional Information](#)

## XII. Revision History

- ✦ Original adoption date: June 25, 2018.