

Distinguishing Gift versus Sponsored Fund Policy

Albert Einstein College of Medicine

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Purpose

The college must manage funds received in accordance with applicable federal, state and local laws and within the specific terms and conditions of any gift, grant or contract. The college's processes differ whether funds received are classified as gift or sponsored fund. It is essential the classification of external funding received be undertaken with utmost care and with a sound understanding of the various considerations outlined in this policy that drive the determination of funding classification. This policy is intended to facilitate the appropriate classification of gifts vs. sponsored funds to ensure that the external funding directed to the college receives the proper compliance review, administrative oversight and monitoring.

Who should know this policy?

Within all Albert Einstein College of Medicine departments, the following must comply with this policy:

- All Principal Investigators (PIs)
- Departmental Administrators and other departmental staff
- Deans and Department Chairs
- Research Finance
- Office of Grant Support
- Development Office
- Consultants, agents, and volunteers associated with research and scholarly funds, as well as in departments and offices charged with responsibilities under this policy

Definitions

Gift – This classification includes gifts made by a donor who instructs the college as to the use of the funds in a specific academic area or for a specific academic purpose. Gift terms may specify activities or budgets. The donor does not need to specify how the funding must be spent or administered and allows funding to be utilized at the full discretion of the recipient. Financial reporting is sometimes requested in aggregate and rarely a detailed level. Unexpended funds are not returned to the donor at the expiration of the gift period and can be used at the PI's discretion.

Sponsored Fund (aka grant, award, sponsored award) is the funding arrangement in which the college is providing a return benefit to, or agrees to provide a defined deliverable or complete set of activities for, the sponsor in exchange of funds, regardless of whether the funding instrument is designated a contract, cooperative agreement, grant, consortium agreement, or otherwise. There is usually a well-defined peer review process to review grant applications and there may be contractual terms related

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to publication and intellectual property. Typically there are extensive reporting requirements and funds not spent in accordance with the budget are returnable.

The below table indicators are used to determine Gift vs. Sponsored Fund

FACTOR	GIFT INDICATOR	GRANT INDICATOR
Purpose	The donor may specify an area of interest or a goal to be funded with their gift.	The sponsor specifies how the funds should be used, as outlined in supporting documentation (award letter or grant agreement)
Reporting	The college has little or no obligation to report to the donor on how the gift is spent or invested. The college is not prevented from providing such reports, but rather uses the opportunity for donor stewardship. Required reporting is limited to details of how, when and to whom funds were disbursed as well as statements of earning when applicable.	The sponsor requires performance of specific duties such as research, budget reports, progress reports, and return of unused funds.
Proposal Process	Initiated by donors, Institutional advancement staff or faculty members	Initiated by sponsor which may include blind peer review process.
Document	Letter of Donation/Gift Agreement	Award letter and/or Grant Agreement.
Deadline/Timeframe Terms	Typically no time period is associated with the use of funds	Typically requires a specific time period for completion of project.
Excess Funds	N/A	May be required to return to the sponsor.
Penalty for non-performance	No penalties for failing to use the funds	Penalties may exist for failing to use the funds or to deliver the items on a timely basis.
F&A (Facilities and Administrative) Cost Rates	Per institutional policy	F&A cost rates as defined by DHHS
Intellectual Property	None	Intellectual Property and other tangibles are part of the agreement.
Publication of Data	None	Restriction / review placed on publication of data.

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Responsibilities & Procedure

The Development department is responsible to establish and administer gifts received by Albert Einstein College of Medicine. They work with Accounting to set up the funds in the financial system. When there is a restricted gift, the Budget Office ensures that the department which can fulfill the donors' intent has access to the funds.

The Research Finance department is responsible to establish and administer sponsored funds received by Albert Einstein College of Medicine.

Development and Research Finance are responsible to apply this policy using the definitions and factors outlines above.

If there is ambiguity exists, the Einstein CFO, Director of Development & Associate Dean for Research and Administration should be contacted for their joint decision.

Revision History

February 2018 – policy issuance