

Did you know there is a difference between a sponsored project vs. gift?

SPONSORED PROJECT VS GIFT

Both sponsored and gift-funded activities are externally-supported projects, and the classification of funding as "gift" or "sponsored" will affect, among other things, the way the University accounts for the funds, assesses F&A (indirect) costs, and reports on the use of the funds to the sponsor or donor.

NOTE: Government funds are never treated as gifts. Funding from voluntary health organizations or associations (e.g., American Cancer Society or American Heart Association) are sponsored projects and not gifts. Sometimes, donors may use the word "grant" and "gift" interchangeably. If you have any questions as to if your project is a sponsored project or gift, please contact Lenora Trujillo, Lenora.G.Trujillo@uth.tmc.edu in the Office of Research.

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Understanding Funding Sources

Selecting a funding source involves finding a sponsor with goals that align with a given research project and finding an opportunity for which the PI is eligible to pursue. It is important to understand different types of funding sources and their individual guidelines.

Sponsored projects or grants are typically awarded to the University in response to a detailed statement of work, usually supported by both a project schedule and a line-item budget, both of which are essential to financial accountability. In most cases, but not all, a sponsored project involves an application process. The agency may provide funding, equipment, tangible items (goods or services), or other considerations in order to support research, training and educational activities, travel, and conferences. Pre-award must review all sponsored projects grant applications and proposal submissions prior to submission to the agency.

Sponsored project grants typically include:

- a line-item budget with the University's federal F&A rate agreement.
- a detailed scope of work or specific aims.
- a specified period of performance.
- a requirement to return any unexpended funds at the end of that period.
- regular financial reporting and audit.
- terms and conditions for the disposition of tangible properties, such as equipment, technical reports or intangible properties, such as publication rights, inventions.

A **gift**, as defined by [HOOP 203](#), is an in-kind contribution given to the University by a donor with no expectation of benefit other than the University expending the contribution for any mutually-agreed upon purposes.

A gift typically has the following characteristics:

- no contractual requirements.
- no deliverables to the donor (though the funds may be restricted to a particular purpose)
- no specified period of performance.
- no formal fiscal accountability to the donor beyond periodic progress reports.