
DISTINCTION BETWEEN GIFTS AND SPONSORED AGREEMENTS

Scope: All campuses served by Louisiana State University (LSU) Office of Accounting Services

Effective: June 1, 2007. This FASOP supersedes and replaces all prior versions.

Purpose: To set forth distinctions between gifts and sponsored agreements and to provide operating guidelines, as detailed in the charts below, for accounting and reporting of gifts and sponsored agreements benefiting the University.

	Gifts	Sponsored Agreements
Terminology Commonly used by Donor/Sponsor	Donation, contribution, will, trust, unrestricted grant, unrestricted gift, etc.	Grant, agreement, cooperative agreement, study, restricted grant, award, project, contract, traineeship, or scope of work
Terminology for Providers	Donor, patron, benefactor, or giver	Sponsor, contractor, or grantor
Source	Individual, corporation, association, or foundation	Foreign or domestic corporations, associations, and foundations; foreign, federal, state and local governments
Terms and Conditions of Support Agreement	Few terms beyond specifying beneficiary intent or donor, patron, etc.	Stipulated in the agreement conveying the award, or may be pre-established and applied uniformly to agreements involving a given sponsor
Reporting and Deliverables	None required - courtesy, non-technical reports may be provided	Technical/progress reports are required
Provision of Receipt	Receipt provided for tax purposes	Receipt not provided for tax purposes
Intellectual Property	Intellectual or proprietary rights belong to the University with no rights to donor, patron, etc.	Agreement addresses ownership of intellectual or proprietary information
Publications	Courtesy acknowledgment of donor support	Acknowledgment of support in publications required (or restricted) by sponsor
Restrictions on Expenditures	Donor may put general restrictions on how the funds are used	The agreement contains specific sponsor-imposed restrictions on how the money is spent or deliverables required
Availability of Funds	Funds are available up front or by a pledge or deferred payment. Gifts are irrevocable.	Funds are available according to the agreement
Indirect Cost Assessed	None	At full negotiated rate except for reductions allowed by University policy
How Donor/Sponsor Communicates Intent to Provide Funding	Donor agreement, unrestricted grant letter, or other correspondence	Award notice or correspondence for grants. Contacts are executed by University and sponsor.