



Vice Provost for
Research

Office of
Biotechnology

**Industry Tip
Sheet -
Volume 6:1**

Is It A Gift Or A Contract?

Gifts and/or contracts may be the result of a solicited or unsolicited proposal, a competitive or non-competitive process, and always involve paperwork. In order to determine if the funding is being provided as a gift or a contract, the expectation of the funding source needs to be reviewed.

Gifts

Gifts can contribute to an endowment (chairs or professorships), capital projects (construction, renovation, equipment), general student support (scholarships, fellowships, funding for clubs and/or activities, training), or research or curriculum initiatives. Individuals or organizations that provide gifts are called donors. The key to determining if the funds are a gift is to determine what the donor expects in return. In order for the money to qualify as a gift, the donor cannot receive a “tangible or direct economic benefit”. If the funds are related to research, the donor cannot expect to receive any deliverables from the research, including intellectual property, and has no rights related to the prior review of publications. Gifts are processed through the ISU Foundation and begin with a Cardinal Sheet.

- For gifts \$5,000 and over, a Cardinal Sheet is required. To access a Cardinal Sheet form, please see: www.foundation.iastate.edu/faculty/rerelations/cardinal-form.xls.
- For gifts less than \$5,000, the PI must fill out the Gift Reporting Form for Corporate and Foundation Gifts Less than \$5,000 at: [www.foundation.iastate.edu/faculty/relations/gifts-less-than-5000.doc](http://www.foundation.iastate.edu/faculty/rerelations/gifts-less-than-5000.doc).

Contracts

Contracts contribute to many areas, but most commonly are associated with research activities. Contracts also involve funding from sources that expect something in return. Individuals or organizations that provide funding for contracts are called sponsors. Again, the key to determining if the funds are a contract is to determine what the sponsor expects in return. First, all federal, state or local government agency awards are considered contracts. For all other sponsors, the following questions should be asked. If the answer to any one of these is “YES”, the funding falls under the category of contract and should be processed through the Office of Sponsored Programs Administration (OSPA) using an eGoldSheet:

- Is the award a subcontract where the prime sponsor is a federal, state or local government agency?
- Does the award contain provisions for intellectual property rights?
- Does the award restrict or monitor publications or use of results?
- Does the award require protection of the sponsor and confidential information?
- Does the award contain a legally enforceable contract with administrative terms and conditions for the use of the funds?

eGoldSheets can be accessed at www.ospa.iastate.edu/LO/loindex.htm.

Still Unsure?

OSPA and the ISU Foundation work together to determine if funding should be considered a gift or a contract. Please contact Thane Peterson, grants@iastate.edu, 294-5225 or Marika Jones, mjones@foundation.iastate.edu, 294-9261 if you have any questions.