

## GIM 34

# Guidelines for Classification of Sponsored Projects and Gifts

## UNIVERSITY OF WASHINGTON

Office of Research  
Office of Sponsored Programs

### GRANTS INFORMATION MEMORANDUM 34

January 2005

SUBJECT: Guidelines for Classification of Gifts and Sponsored Projects

SUPERSEDES: GIM 34, (Revised February 1993)

RELATED INFORMATION: GIM 1 and *Operations Manual*, D 36.0, *Gift Processing Guidelines*

These guidelines are intended to describe standards to be used to classify **external** support and identify appropriate administrative procedures for accepting and processing such support. For purposes of these guidelines, "External support" is anything of economic value provided by a third party (either the "sponsor" in the case of sponsored projects or the "donor" in the case of gifts) for use in a project conducted by or at the University. Correct classification of external support and use of appropriate procedures is intended to assure the University's ability to: (i) comply with requirements specified by the sponsor or donor; (ii) satisfy State of Washington reporting requirements; (iii) properly recover its costs, both direct and indirect; (iv) monitor the nature and extent of research activity; and (v) assure compliance with applicable laws, regulations and University policies. The following guidelines are to be used in determining the classification of external support by all UW colleges, schools, departments, and other administrative units:

#### I. General Guideline

All sponsored projects shall be processed through the Office of Sponsored Programs, and all gifts shall be processed through Gift Processing within the Office of Development and Alumni Relations.

#### II. Sponsored Projects

For purposes of these guidelines, a "sponsored project" is any project receiving external support (including research, scholarly work, training, workshops, and services) that has defined performance requirements.

The following criteria shall be used for classifying sponsored projects:

- A. **Governmental External Support.** A project receiving either direct or indirect external support from any federal, state, local, foreign, or other governmental entity shall be considered a sponsored project at the time the support is committed or paid.
- B. **Non-Governmental External Support.** A project receiving external support from a non-governmental entity shall be considered a sponsored project if the project is subject to any of the following conditions at the time the support is committed or paid:
  - 1. The *specific* project involves any of the following: human subjects, vertebrate animals, radioactive materials, recombinant DNA, human body substances, infectious agents, or third-party proprietary materials.
  - 2. The external support is subject to any of the following conditions:
    - a. Delivery of specific goods, services, or other deliverables by the University
    - b. Performance milestones
    - c. Transfer of intellectual property, ownership, or related rights
    - d. Insurance, indemnification, or warranty
    - e. Restrictions on publication of research results
    - f. Audit requirements
  - 3. The provider of the external support may withhold or seek a refund of the support if the project fails to meet performance requirements or project objectives, including certain research outcomes.
  - 4. External support is provided for research-related patient care services or the routine cost of care delivered as part of research studies.
  - 5. External support is provided by a sponsor for the testing or assessment of the sponsor's products or services.

### III. Gifts

For purposes of these guidelines, a gift is the voluntary provision of external support by a donor to the University, without any requirement for receipt of any economic or other tangible benefit in return.

Gifts shall normally meet the following criteria:

- A. The external support does not meet the criteria for a sponsored project as described in Section II of these Guidelines.
- B. The external support is irrevocable, providing the gift is used in accordance with any valid restrictions accepted by the University.
- C. No goods, services or deliverables are offered or exchanged in consideration of receipt of the external support.
- D. The donor provides the support to the University without expectation of direct economic benefit or other tangible benefit. Indirect benefits such as tax advantages or business or personal goodwill derived from close association with the University and the miscellaneous benefits derived from donor status do not negate gift intent.
- E. Financial reporting or accounting for use of external support is not required, although it shall be acceptable for the donor to request information from the University about utilization and/or impact of the external support, including expenditures and fund balances.

Contributions to endowments and nongovernmental contributions for capital projects would normally be classified as gifts.

The standards described in these guidelines are applicable to all external support provided to the

University. Final determination of all questions arising under these guidelines relating to the classification and processing of external support shall be made by the Vice Provost for Research.

Frequently Asked Questions (Sponsored Programs and Gifts)

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