

How can I tell ahead of time if it's going to be a gift or a grant?

A grant cannot be accepted by the University without applicable overhead recovery or an approved waiver to overhead recovery. Consequently, any proposal submitted to a sponsor should indicate the appropriate indirect costs. In the case of some non-profit foundations, it may not be obvious whether a request for funding will result in a gift or grant. At UCSD, an award which specifies any option for a return of funds granted is classified as a grant, not a gift. Here are some indicators that something is more likely to be a grant rather than a gift:

- You are proposing a specific research project, rather than support for your general field of research, and in addition
- You are being asked to provide a line item budget for approval by the Foundation or the Foundation's Board. If so, the award is probably going to be a grant.
- Are you asked to specify a period of performance? If so, it's probably a grant.
- The Foundation's website describes a competitive application process for grantees. A call for proposals, request for proposals, or a deadline for submission is often indicative of a grant.
- The sponsor has issued grants in the past. For example, the PADI Foundation and the Sea World Busch Gardens Conservation Fund issue grants, not gifts. Ask us and we'll let you know if the entity has issued grants in the past.
- The type of foundation is often indicative of whether or not they issue grants or give gifts – or both (or neither!). The Scripps Development Office is a valuable source of information and expertise here. Also, be aware that some types of non-profits are not grant-making organizations and can only issue contracts (i.e., some kinds of conservation groups). They're not likely to have an overhead policy, since they're not in the business of grant-making.
- Note that many Foundations may not require any type of Institutional approval of an application for grant funding – anyone can apply. Just because institutional approval isn't required at the time of application doesn't mean it will be a gift if it is awarded.
- Just because you can submit directly through a sponsors website, doesn't mean you should. Consult first with either Scripps Development or the Contract and Grant Office.

But I'm entering a contest/competition, so that's a gift, right?

- Prizes, competitions, grand challenges, etc. are difficult to classify. Usually the prize comes with obligations to the sponsor. In many cases, simply by entering the contest you are agreeing to terms and conditions. In some cases, those "by submitting" terms were literally an outright, upfront grant of intellectual property rights to the sponsor. Read the fine print and contact the Contract and Grant Office for a review of the terms. See the link below for information on UC San Diego policy regarding use of Crowdfunding.

Further information:

<https://blink.ucsd.edu/research/finding-funding/gift-or-grant.html>

<https://crowdsurf.ucsd.edu/pages/about-20>

This handout was prepared for the convenience of Scripps Institution of Oceanography staff and Investigators. Please feel free to contact the SIO Contract and Grant Office at ext. 26930 with any questions about the topic. 10/2014