



Overview

This resource document outlines the critical distinctions between various external funding classifications—specifically Gifts, Sponsored Programs, and Non-exchange Charitable Grants—to ensure proper administration, compliance with Rutgers University (RU) policies and sponsor guidelines, and identification of the correct signatory authority for the initiation of external awards.

Important

The final determination of a funding source's status is made by the Office for Research in cooperation with the Rutgers Foundation, taking all these characteristics into consideration.

Definitions of External Funding

An award is external charitable or non-charitable funding provided to Rutgers in various formats, including grants, contracts, memoranda of understanding, memoranda of agreement, letter agreements, or other types of instruments.

[View the Rutgers University Policy 40.2.13: Donor Gift Policy](#), which defines a gift as a voluntary, irrevocable transfer of money or property made by a donor without expectation of, or receipt of, direct economic benefit or any other tangible compensation from the donor.

A sponsored program is an award to Rutgers from a Sponsor in exchange for providing a specific service, research, or deliverable that includes terms and conditions referencing financial audit and reporting, return of unspent funds, representations and warranties, indemnification, publicity, publication, and/or rights in intellectual property, copyrights, and licensing.

A Non-exchange Charitable Grant is an Award and Sponsored Program that:

1. Is a voluntary donation to a tax-exempt organization to support activities, and
2. Is for religious, charitable, scientific, literary, or educational purposes, and
3. Includes specific terms and conditions that require management by the Rutgers Office for Research to ensure compliance with Rutgers' policies and processes, sponsor guidelines, and/or the terms and conditions of the charitable Award.

A Non-exchange Charitable Grant may include a detailed budget, budget restrictions, payment schedule, financial and programmatic reporting requirements, deliverables, a financial audit, return of unspent funds, representations and warranties, indemnification, publicity, publication, and/or rights in intellectual property, copyrights, and licensing. For the avoidance of doubt, if an Award requires Rutgers to return unspent or misappropriated funds, including Sponsor audit rights, and/or an auditable financial report requirement, then the award is a Non-exchange Charitable Grant and not a Gift.



External Funding Classification Guide
Distinguishing Gifts, Sponsored Programs, and Non-exchange Charitable Grants

Type of Funding	Gift	Sponsored Program	
Characteristic	Gift	Non-exchange Charitable Grant	Grant Award
Purpose of Funding	Charitable intent	Charitable	Non-Charitable
Scope of Work	Usually, no detailed scope; broad discretion in use of funds	Specific Scope of Work	Specific Scope of Work
Budgetary Controls	Usually, no detailed budget is required; flexible use of funds	Detailed budget, with restrictions; may allow indirect costs	Detailed budget, with restrictions; may allow indirect costs
Recipient Control	The university decides who participates in the funded work	May require sponsor approval for participating personnel or to change personnel	May require sponsor approval for participating personnel or to change personnel
Performance Period	Often no set time frame for completion	Defined start and end dates	Defined start and end dates
Reporting Requirements	May request general updates/outcome reports and RUF stewardship report(s); no formal financial reports	Requires technical and financial progress and/or final reports	Requires technical and financial progress and/or final reports
Return of Funds	Unexpended funds are not returned	Usually requires the return of unspent funds	Usually requires the return of unspent funds, unless the budget is firm fixed
Audit Requirement	Not subject to audit by the sponsor	May be subject to audit by the sponsor	May be subject to audit by the sponsor



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Type of Funding	Gift	Sponsored Program	
Characteristic	Gift	Non-exchange Charitable Grant	Grant Award
Disposition of Property	University retains rights to physical property, data, and intellectual property	Sponsor may define rights to data, intellectual property, or other property	Sponsor may define rights to data, intellectual property, or other property
Obligations	No reciprocal obligations	Contractual obligations and compliance requirements	Contractual obligations and compliance requirements
Official Signatory	Rutgers University Foundation	Office for Research	Office for Research