# Gifts, Grants, and Contracts:

## Practical Strategies for Managing Diverse Funding Sources

NSPAA Summer 2026

# PRESENTERS

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# Agenda:

- Introductions
- Differences in common award mechanisms
- Pre-award challenges and best practices
- Addressing problems in award setup
- Final tips & takeaways

"O.K., let's slowly lower in the grant money."

| Gift | Grant | Contract |
| --- | --- | --- |
| Intent: charitable | Intent: public good | Intent: specific benefit to sponsor |
| Voluntary, no strings attached<br><br>May still be earmarked for a specific program | PI defined scope of work<br><br>Technical & financial reports required. | Procurement action including specific deliverables, reports, milestones |
| No time limits<br><br>Irrevocable transfer | Specific period of performance | Specific period of performance |
| Possibly assessed administrative fee | Includes IDC except where prohibited by sponsor | Includes IDC |
| Managed by a department or institutional Development Office | Managed by Sponsored Projects Office / Grants Accounting | Managed by Sponsored Projects Office / Grants Accounting |

# Gifts

## AN OVERVIEW

# GIFT

- Something of value (does not have to be $$)
- Donor expects nothing significant in return
  - other than possible recognition
- Typically “unrestricted,” meaning funds can be spent freely
- Could be “restricted” limiting the use of funds to work in a specific field or for a specified purpose
  - EX: chair endowment, scholarship, etc.
- Typically funded by private, non-governmental sources

# Key Characteristics – Gift:

- No contractual requirements. An agreement may be drafted, but only to restrict what the funds are earmarked for
- A gift is irrevocable
- No timeline
- No deliverables to provide to donor beyond acknowledgement letter
- May have language set-up to report on good stewardship, but it’s more often completed informally

# Key Questions to Ask

**<u>Pre-Award</u>:**

- What are the reporting requirements?
- Is the funding irrevocable?
- What is the intended purpose of these funds?

**<u>Post-Award</u>:**

- How is a gift processed?
  - Typically routed through Development or Advancement office
  - A separate gift project ID or chartstring is issued

# When is a "gift" not a gift?

- Award document includes deliverables beyond an acknowledgement letter
- Award specifies a project period (start/end dates)
- Return of unexpended balance to the sponsor
- Any IP terms

# Grants

AN OVERVIEW

# GRANT

- Financial assistance awarded for the conduct of research or other program as specified:
  - May be training, equipment acquisition, etc.
- Federal, state/local, or foundation sponsors
- Should include:
  - Period of Performance
  - Scope of Work
  - Budget
- Used when the awarding agency anticipates no substantial programmatic involvement
- Award refers to general terms and conditions

# Key Characteristics- Grant:

- Application is submitted to a sponsor with a budget & scope of work
- There is a specific period of performance
- The budget is accessed an institutional indirect cost rate (IDC), except where specifically prohibited or limited by published guidelines
- Typically for the public good rather than specific benefit to the sponsor
- Unexpended funds returned to the sponsor at the end of grant period

# Possible Grant Agreement Terms & Conditions

- Technical reports
- Financial reports
- Other deliverables
- Intellectual property (IP) or copyrights
- Data rights
- Dissemination of results

# Cooperative Agreement

- Similar to a grant
- Used when sponsor anticipates having substantial involvement in research activities once an award has been made
- Sponsor’s involvement described in a set of specific terms rather than just referencing general terms and conditions

# Contracts

AN OVERVIEW

# SPONSORED RESEARCH AGREEMENT

- A contract between the Institution and a Sponsor for the purposes of funding and conducting research
- Like a grant, it should include:
  - Period of Performance
  - Scope of Work
- May be fixed price or cost-reimbursable
- Sponsor involvement may be extensive and award may contain detailed specifications, clauses, regulations, and expected results and deliverables

# Two Types of SRA

**Fixed Price**:

- Project cost agreed on up front
- Places maximum risk and full responsibility for all costs on contractor
- Provides maximum incentive for contractor to control costs and perform efficiently
- Institution retains unexpended balance at end of the project

**Cost-Reimbursable**:

- Provides for repayment of *allowable* incurred costs
- Places the least cost and performance risk on the contractor
- Institution only invoices for costs incurred

# Common Types of Contracts:

- Sponsored Research Agreement (SRA)
- Subaward
- Vendor Agreement
- Consultant Agreement
- Non-monetary Agreement (MTA, NDA, Data Share, MOU, Allocation of Rights, etc.)

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# Key Characteristics – Contract:

- Binding agreement, relatively inflexible.
- Clearly defined scope of work & period of performance
- Terms are negotiable by varying degree (e.g. payments terms, IP rights, etc.)
- Significant emphasis placed on delivery of results, products, or performance
- Payment often based on milestones or deliverables
- Can be modified by amendment (i.e. to extend end date and/or add funding)

# *Subaward, Vendor, or Consultant?*

**SUBAWARD**: Work performed by subrecipient personnel, using their facilities and resources, usually at subrecipient site. Subrecipient has responsibility for programmatic decision making.

**VENDOR**: No programmatic decision-making. Goods and services provided within normal business operations.

**CONSULTANT**: Services are primarily advisory in nature requiring professional expertise to solve a clearly delineated problem.

# Contract Review

What will my institution look for?

# Contracts are reviewed for:

- Publication rights
- Protection of intellectual property (IP)
- Licensing
- Governing law
- Compliance with institutional policy and state/federal law

# Questions?