

## **DRAFT REVISIONS 4700 Donations/Gifts, Grants, & Contracts, & Fundraising**

**Approved:** 20 April 2016; Revised ???

**Rule:** R277-113

**Purpose:** The purpose of this policy is to establish a school-wide policy that ensures compliance with IRS regulations regarding the receipting of charitable contributions, grants, and contracts for a non-profit organization.

### **1. References**

- a. IRS Publications 526 and 1771
- b. CASE Reporting Standards & Management Guidelines for Educational Fundraising 4th Edition

### **2. Definitions**

#### **a. Charitable Contribution**

- i. A charitable contribution is a gift received by Edith Bowen Laboratory School or Utah State University for either unrestricted or restricted use in the furtherance of the School for which the University has made no commitment of resources or services other than committing to use the gift as the donor specifies. The gift is a nonreciprocal transfer of the asset in that there is no implicit or explicit statement of exchange, purchase of services, or provision of exclusive information.
- ii. To qualify as a charitable contribution, a donor may not retain any explicit or implicit control over the use of the gift after acceptance by EBLs or USU. If the donor receives benefits in return for the contribution, the true value of the gift is the amount over and above the fair market value of any benefits received.

#### **b. Donor**

- i. A donor is any individual or organization that contributes funds, goods, or services to EBLs or USU, or the Utah State University Foundation in order to advance the mission of the School.

#### **c. Gift Receipt**

- i. A gift receipt is an official document issued by USU that substantiates the donor's gift to EBLs or the University that the donor may use to verify the contribution for tax purposes.

#### **d. Quid Pro Quo Contribution**

- i. A quid pro quo contribution is a gift where a part of the gift is a contribution and part is in consideration for goods or services provided by the receiving institution to the donor(s). The value

of the benefits, or “premiums”, the donor receives is a key factor in determining the amount of the actual gift.

**e. Grants**

- i. A grant is defined as a voluntary transfer of money or property for the primary intent to carry out a public purpose of support or stimulation without direct benefit to the sponsor. The following are generally characteristics of grants:
- ii. The award contains terms on the use of funds, such as budgetary restrictions; states programmatic objectives to be achieved; defines responsible individuals and a period of performance; and details ownership rights.
- iii. Usually the result of submitting an outcome-driven proposal.
- iv. Programmatic and/or fiscal reports during the life of the project and at the end of the project are required.
- v. May address intellectual property ownership and rights in data issues.
- vi. Contains language regarding the right to revoke an award or withhold funding.
- vii. Prior sponsor approval is required for significant programmatic and/or fiscal deviations.
- viii. Future commitment of resources to provide continued support of the project may be required by the University.

**f. Contracts**

- i. A contract is defined as the acquisition of property or services for the direct benefit of the sponsor on a quid pro quo basis. In general, the criteria for identifying a contract are the same as those for a grant except:
  1. The award may be subject to more restrictive conditions outlined in a contractual instrument.
  2. Financing may be on a cost reimbursement or fixed price basis.
  3. The sponsor participates in determining the work to be performed or the services to be provided.
  4. Intellectual property and rights in data are significant considerations. Under the guidelines presented here, awards offered to the University for the performance of services such as testing or evaluating drugs for pharmaceutical companies would normally be classified as grants/contracts.

**3. Policy**

**a. Authority to Issue Gift Receipts**

- i. The Office of University Advancement holds sole authority for issuing gift receipts to donors who make charitable

contributions in the form of cash, check, securities, real estate or personal property to EBLS, USU or the Utah State University Foundation. In the event a donor requests a duplicate copy of a gift receipt that had been previously issued, the Office of University Advancement holds responsibility for issuing the duplicate gift receipt.

- ii. For the foreseeable future, USU-CEU is given the authority to issue gift receipts for contributions to USU-CEU.

**b. IRS Requirements**

- i. The gift receipt issued to a donor must include the following information:
  1. Name of organization
  2. Amount of cash contribution -OR- Description (but not the value) of non-cash contribution
  3. Statement that no goods or services were provided by the organization in return for the contribution, if that was the case -OR- Description and good faith estimate of the value of goods or services, if any, that an organization provided in return for the contribution
    - a. The university must provide a written disclosure statement to a donor who makes a payment exceeding \$75 partly as a contribution and partly for goods and services provided by the organization. The University is required to furnish a disclosure statement in connection with either the solicitation or the receipt of a quid pro quo contribution. The statement must be in writing and must be made in a manner that is likely to come to the attention of the donor.
    - b. Per IRS guidelines, Utah State University may issue an annual summary to donors who make multiple contributions in one calendar year, such as contributions made via payroll deduction, to substantiate the contributions.

**c. Grant Processing & Documentation**

- i. Any potential Federal, State, or private funding to be received at EBLS in the form of a grant must be processed through the Sponsored Programs Department at USU. Guidelines, forms, and documented policies and procedures can be found on their website, <http://rgs.usu.edu/spo/policies/>. EBLS Administration is not a signing agent for USU and does not have the authority to bind the University to any contracts. All applications and

agreements must be signed by a University official, according to USU standards and procedures.

4. **Fundraising**

EBLS does not conduct fundraisers with students.