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**Sent:** Thursday, March 08, 2007 12:22 PM  
**To:** ADMINISTRATIVE\_ALL@RAMS.RUTGERS.EDU  
**Subject:** Update on Gift Assessment Policy

Date: March 8, 2007  
To: Rutgers University Faculty and Staff  
From: Carol Herring, Philip Furmanski, Roger Dennis and Steven Diner  
Subject: Update on Gift Assessment Policy

Since the gift assessment policy was first announced in October there have been a number of inquiries regarding the application of the policy. This memo is meant to respond to those inquiries and to clarify the issues that have been brought forward.

All contributions received from individuals, corporations and foundations are considered either gifts or grants. Any contribution that meets the definition of a gift as outlined by the Internal Revenue Service (whether it comes from an individual, foundation or corporation) will be subject to the gift assessment fee.

The application of the gift assessment fee to grants from private foundations has been of particular concern. The information below is intended to clarify and amend the portion of the policy related to these grants.

#### Policy Revision

- The gift assessment fee will apply to all foundation grants, except where a foundation has existing published guidelines that prohibit it.
- If the gift assessment fee is allowable, it must be added to the proposal.
- All grant applications must also include the full applicable and available F & A, as per ORSP policies and procedures.
- If the gift assessment fee is not allowed but F & A is, the fee will come off the top of the F&A granted and the remainder will be split according to the indirect cost recovery formulas already in place.
- If the F&A granted is less than the assessment fee due, the total amount granted will be considered a full payment of the assessment fee for that grant.
- In the event that neither the assessment fee or F & A is allowable **and** there are pre-existing published guidelines to that effect, then the grant will not be subject to the assessment fee.

For your reference, we are providing you with links to the policies of two peer institutions which have some relevant guidance on this topic, as well as the Internal Revenue Website where you can obtain further clarification on the definition of a gift.

Penn State Guidelines for Gifts, Grants and Contracts:  
<https://guru.psu.edu/policies/RAG04.html>

University of Wisconsin's F&A Exception List:  
<http://www.rsp.wisc.edu/rates/fnaexcept.cfm>

Internal Revenue Service Publication 526:

<http://www.irs.gov/pub/irs-pdf/p526.pdf>

Thank you for working with us. Please let us know if you have further questions.