HANOVER RESEARCH

GRANTS OFFICES VS. PHILANTHROPY OFFICES

Hanover Research breaks down the nuances between grant development and traditional philanthropy functions, providing a comparative guide for organizations considering enhancing their grant services as a proactive strategy to seize funding in today's competitive marketplace.

	GRANTS OFFICES	PHILANTHROPY OFFICES
Mission is to…	Seek funding for specific scholarly activity, research, healthcare and educational programming, as well as public service endeavors.	Solicit tax-deductible gifts, facilitate both general purpose and project-specific fundraising, and manage donor relations.
Focused on…	Obtaining grant, contract, subcontract, and cooperative agreement dollars for well-defined, time-limited projects.	Solicitation of gifts (e.g. fiscal, property, equipment, services) in the form of donations, memorials, planned giving, and corporate giving.
Responds to…	Funders' requests for submission of grant proposals and research and programmatic agendas.	Institutional needs and interest.
Interacts with…	• Government agencies • Government established foundations • Private sector entities (foundations, corporations).	• Individuals • Families • Private sector entities (foundations, corporations).
Typical Characteristics of Funding include…	• Awards made following submission of a proposal for review and scoring. • A specific statement of work to be completed. • Agreements which are legally enforceable. • Potential for production of innovation, advanced practice, or intellectual property. • Detailed financial planning and line-item budgets. • Limits or restrictions on activities permitted and spending allowed. • A project schedule. • A specified performance period. • Reporting requirements including regular financial reporting and regular audits of activity. • Funders having rights in respect to products produced during the period of funding. • Terms under which funding can be revoked. • Terms for return of an unexpended balance to the funder.	• Voluntary, charitable giving but a gift may be the result of a legal action like the execution of a will. • An agreement regarding the recognition of the donor. • No contractual requirements being imposed. • Unrestricted use of the donation or possible restrictions on use (i.e. donated for an identified purpose like a building fund, equipment purchase, or endowment). • Irrevocable contributions with the donor relinquishing right to redirect or reclaim all or any portion of the gift. • No specification of a performance period or of start and stop dates. • No formal fiscal accountability to the donor with the maximum requirement being status reports. • Unexpended funds remaining with the recipient in perpetuity.
Common Activities of the Unit include…	• Monitoring funder solicitations. • Aiding institutional personnel in developing project plans. • Aiding institutional personnel in compiling required elements of application packets. • Legal certification of institutional characteristics. • Interaction with accountability units like IRB and IACUC. • Grant submission recordkeeping. • Interaction with representatives of governmental and private funders.	• Developing and distributing promotional/fundraising materials and the maintenance of webpages. • Fundraising (e.g. annual fund, capital campaigns, planned giving). • Special events (e.g. fundraising, community engagement, donor recognition). • Maintenance of a donor database and contact with past, current, and prospective donors.

Sources used to develop this table: California State University-East Bay, Dameron Hospital, Eastern Illinois University, Gonzaga University, Grinnell College, the Mission Foundation, Northern Arizona University, Stanford University, and Tufts University.

GRANTS VS. GIFTS

The long-term, cooperative, and mutually supportive coordination of grants and gifts helps organizations to "move the needle" on their cause and ongoing initiatives. The table below outlines the differences between these vital components of funding strategy.

PRIMARY SORT: SOURCE OF FUNDING			
A.	Does the funding come from a government agency (federal, state or local)?	If yes, it is a **grant.**	
B.	Does the funding come from an individual?	If yes, it is most likely a **gift.**	
SECONDARY SORT: CHARACTERISTICS OF FUNDING			
C.	Do the funding documents have a description of work to be performed associated with them (e.g. a project narrative, statement of work, or contract specifying an approach, process, or objective[s])?	YES NO UNKNOWN	
D.	Is there a detailed budget for the work showing expenditures by category and/or percentage of effort committed by personnel?	YES NO UNKNOWN	
E.	Does the funding agreement include designation of a project period (defined start and stop date)?	YES NO UNKNOWN	
F.	Does the funding agreement include detailed fiscal, effort, or progress reporting requirements?	YES NO UNKNOWN	
G.	Does the funding agreement require that unexpended funds (above a given dollar amount) be returned to the funder?	YES NO UNKNOWN	
H.	Does the funding agreement include conditions regarding materials developed during the project (e.g. data, publications, intellectual property)?	YES NO UNKNOWN	

Adapted from information on the Sponsored Project Administration webpages at Stanford University using material found on the webpages of the Dameron Hospital, Eastern Illinois University, Gonzaga University, Grinnell College, the Mission Foundation, Northern Arizona University, and Tufts University.

If you answered "yes" to item A and/or items C to H in the list above, the funding under consideration should be classified as a grant or similar instrument and will be administered by the Grants Office.

If you answered "no" to item A and "yes" to item B and/or "no" to items C to H in the list above, the funding under consideration should be classified as a gift and will be administered by the Philanthropy Office.

If you are still uncertain of the classification of your funding, contact Hanover Research at **info@hanoverresearch.com.** Our grants professionals have proven success in developing grant infrastructure and providing funding strategy consultation – helping nearly 300 healthcare, education, and non-profit organizations coordinate their grantseeking operations to seize over $70 million in awarded funds.