Gifts (Monetary), Financial Management of

**BRIEF**

**Policy Summary**

This policy defines the requirements for the financial management of monetary gifts once acceptance of the gift, for research purposes, has occurred. The Innovation and Partnerships Office (IPO) is designated as the Gifts Office for the overall solicitation and acceptance of gifts. Divisions have responsibility for the execution and oversight of gift funds, and related projects, under divisional purview. General Accounting has responsibility for institutional oversight of the financial execution of monetary gift activities (post-award activities).

**Who Should Read This Policy**

Any employee involved with the solicitation, acceptance, and financial processing of monetary gifts at the Laboratory

**To Read the Full Policy, Go To:**

The POLICY tab on this wiki page:

**Contact Information**

- **General Accounting Manager** (for financial processing of monetary gifts)
- **Innovation and Partnerships Office (IPO)** (for solicitation and acceptance of all gifts)

**Policy**

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<tr>
<td>Publication date</td>
<td>10/1/2014</td>
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<tr>
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**POLICY**

**A. Purpose**

The purpose of this policy is to define the requirements for the financial management of monetary gifts accepted for research. The Innovation and Partnerships Office (IPO) is designated as the Gifts Office for the overall solicitation and acceptance of gifts (see RPM document number 03.04.001.000, *Gifts for Research, Solicitation and Acceptance of*). In addition, the *LBNL Gift Policy and Procedures* page describes the implementation of the policy for *Gifts for Research, Solicitation and Acceptance of*, which includes non-monetary gifts such as equipment. Divisions have responsibility for the execution and oversight of gift funds, and related projects, under divisional purview. General Accounting has responsibility for institutional oversight of the financial execution of monetary gift activities (post-award activities).

**B. Persons Affected**

Any employee involved with the solicitation, acceptance, or financial processing of monetary gifts at the Laboratory

**C. Exceptions**

Not applicable
D. Policy Statement

1. General. Use of gift funds must comply with DOE criteria as stipulated in the UC-DOE Prime Contract (Contract 31) and RPM document number 03.04.001.000, Gifts for Research, Solicitation and Acceptance of. Gift funds may not be used to augment any federally funded research.

2. Funds Control and Cost Accounting Treatment
   a. Each gift will be accounted for and managed as an independent source of funds, with a unique project assigned; and, with controls established to ensure that costs and obligations do not exceed the amount of the gift.
   b. Gift funds must be spent in accordance with the Laboratory’s established policy for cost allowability. Allowable costs are costs and expenses actually incurred in the performance of work in accordance with the terms of Contract 31, which are considered necessary, or incident thereto, and are determined to be allowable, as defined in FAR, Subpart 31.201-2, Determining Allowability (FAR 31.201-2), as supplemented by specific clauses in Contract 31 DEAR Subpart 970.31, Contract Cost Principles and Procedures (DEAR 970.31). More information on allowable costs can be found in the Laboratory’s Cost Allowability Policy.
   c. As defined in Contract 31, Clause H.27, gift funds are part of the Laboratory’s Contractor-Funded Institutional Supporting Research and Development Program. Under this program, the following burdens (indirect costs) apply:
      i. Payroll
      ii. Organization
      iii. Procurement
      iv. Travel
      v. Sales Tax
   d. In the event that the cost of a gift award project exceeds funding, it is the division’s responsibility to resolve the overcost (deficit cash balance). The division is required to submit an executive summary to OCFO management, outlining the following:
      i. Identification and cause of the issue
      ii. Proposed corrective actions to address the overcosted balance (deficit cash balance)
      iii. Action plan within the division to minimize/eliminate future occurrences
   e. OCFO management will then work with the division to identify an appropriate source of funds to resolve the overcost (deficit cash balance). The hierarchical process for identification of appropriate alternate funding sources includes:
      i. Other division gift funds, as appropriate
      ii. Gift Reserve
      iii. Management Fee

3. Gift Reserve
   a. Berkeley Lab will maintain a Gift Reserve. The purpose of the Gift Reserve is to provide a source of unrestricted funds should a specific gift be overcosted (deficit cash balance). The Gift Reserve’s use for overcosted balances is at the discretion of and with approval from the Laboratory Deputy Director.
   b. The Gift Reserve balance is set at the discretion of Laboratory management. The funding source for the Gift Reserve will include the balance of the gift assessment, assessed on all gift proceeds received prior to October 1, 2014, and interest earned on the Short-Term Investment Portfolio (STIP) account, as described below in Section D.4, Cash Management.
   c. As of October 1, 2014, the Gift Reserve balance has been set at 2% of the total unexpended gift balances.
   d. Each quarter, Laboratory STIP interest will be applied to the Gift Reserve balance until the target Gift Reserve balance of 2% of total unexpended gift balances is achieved. STIP interest will then be distributed as described below in Section D.4, Cash Management.
   e. The Laboratory Deputy Director may, at his/her discretion, adjust either the target reserve percentage or the reserve balance. Any adjustment of the Gift Reserve balance will be transferred to Contractor Supported Research (CSR) funds.

4. Cash Management
   a. Gift funds are maintained in one of two bank accounts: the Laboratory’s gift account or the University of California (UC) Short-Term Investment Portfolio (STIP) account.
   b. Each quarter, General Accounting will make a distribution of the interest earned on the gift funds. Interest earned will first be used to cover bank fees related to the Laboratory’s gift account, and then be used to fund the Gift Reserve, as described in the preceding section. Any interest earned in excess of bank fees and Gift Reserve requirements will be credited to each individual gift project. The allocation of net interest earned to individual gift balances will be based on the unexpended balance of the gift at quarter-end. Any gift with an unexpended balance less than $1,000 will not receive interest income.

5. Disposition of Gift Funds Upon Project Completion. Divisions are responsible for promptly closing
gift projects upon completion of the related work. General Accounting will monitor the project status quarterly. For those projects closed during the quarter:

a. Any gift funds equal to the lesser of 1% of the gift or $1,000 will be transferred to the Gift Reserve upon completion of the gift project.

b. Gift funds that exceed the threshold described above will be referred to IPO and/or the Office of Laboratory Counsel for appropriate disposition.

E. Roles and Responsibilities

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<tr>
<th>Role</th>
<th>Responsibility</th>
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| Innovation and Partnerships Office (IPO)  | Gift Acceptance:  
  - Determines whether the gift is appropriate or is a sponsored research project  
  - Obtains DOE approval of gifts over the DOE authorized level, or from donors who also have an active sponsored research award in place  
  - Accepts gifts in accordance with RPM document number 03.04.001.000, Gifts for Research, Solicitation and Acceptance of (including donor’s gift letters)  
  - Obtains gift acceptance from the Laboratory Director or University of California Office of the President (UCOP) and sends Laboratory Director’s acknowledgment letter to the donor  
  - Sends copies of the gift letter to General Accounting, the principal investigator, and the division  
  - Upon notification from General Accounting that the gift funds have been received, the IPO Contracting Officer completes the gift set-up in eSRA and indicates “Award Preparation Complete.” eSRA sends the data to the financial management system [FMS] to open the project.  
  - The eSRA system will send notifications to General Accounting, the Budget Office, and the division. |
| Division                                  | Execution and Oversight of Gift Funds:  
  - Ensures that the use of funds is consistent with the purpose stated by the donor  
  - Ensures that funds are spent in accordance with the same terms and conditions as federally expended funds  
  - Manages the gift award within its funding limits  
  - Establishes controls to ensure costs and obligations do not exceed the gift award  
    - Monitors costs incurred against the gift award  
    - Corrects errors and resolves issues as they occur to ensure that gift-award balances are in good standing  
    - Works with General Accounting to resolve any overcosted gift award  
    - Ensures gift project is closed in a timely manner after completion of related work |
| General Accounting                        | Gift Accounting:  
  - Establishes and maintains gift system chart fields (i.e., account numbers, Budget and Reporting [B&R] codes, resource categories, project and resource types, DOE reporting codes)  
  - Reconciles monetary gift-related general ledger accounts  
  - Reconciles the gift account, gift Short-Term Investment Pool (STIP) account, and gift bank account  
  - Deposits check in gift account and notifies IPO of receipt  
  - Manages allocation of cash between various depository accounts  
  - Ensures that bank fees are deducted from interest income prior to quarterly distribution of interest income to gift projects  
  - Manages quarterly allocation of interest income to individual gifts |
|                                          | Cash Management:  
  - Deposits check in gift account and notifies IPO of receipt  
  - Manages allocation of cash between various depository accounts  
  - Ensures that bank fees are deducted from interest income prior to quarterly distribution of interest income to gift projects  
  - Manages quarterly allocation of interest income to individual gifts |
|                                          | Institutional Oversight of Gift Funds:  
  - Ensures that Gift Reserve balance is maintained at level set by Laboratory Deputy Director  
  - Prepares monthly gift status report  
  - Works with divisions to resolve overcost issues on gift projects  
  - Manages return of unused gift funds at completion of gift project |

F. Definitions/Acronyms

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<th>Definition</th>
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Lawrence Berkeley National Laboratory. The official or current version is located in the online LBNL Requirements and Policies Manual. Printed or exported versions are not official. Users are responsible for working with the latest approved revision.
Chart fields Laboratory general ledger account numbers, Budget and Reporting (B&R) codes, resource categories, project and resource types, and DOE reporting codes

Gift A gift is anything of assignable value that is voluntarily and legally transferred to the Laboratory's ownership and possession. A gift is a contribution to the Regents of the University of California that is donative in intent, bestowed voluntarily and without expectation of tangible compensation for which, in general, contractual or other requirements are not imposed. Gifts are awarded irrevocably. Gifts are not Work for Others (WFO) nor an extramural contract or grant and therefore impose no contractual requirements. Any proposed gift must support the scientific mission of the Laboratory.

Gift Reserve The purpose of the Gift Reserve is to provide a source of unrestricted funds should a specific gift be overcosted (deficit cash balance). The Gift Reserve's use for overcosted balances is at the discretion of and with approval from the Laboratory Deputy Director.

G. Recordkeeping Requirements

Gift recordkeeping requirements are consistent with all other financial accounting records for cash receipts and disbursements.

H. Implementing Documents

None

I. Contact Information

- General Accounting Manager for financial processing of monetary gifts
- Innovation and Partnerships Office (IPO) for solicitation and acceptance of all gifts

J. Revision History

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<th>By whom</th>
<th>Revision Description</th>
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<td>Jeppson/Carlson</td>
<td>Eliminate gift assessment, establish gift reserve</td>
<td>D</td>
<td>Major</td>
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<td>1.1</td>
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<td>Reformat for wiki</td>
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Document Information

DOCUMENT INFORMATION

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<td>Financial Management</td>
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Source Requirements Documents

- Contract 31, Clause H.27, Contractor-Funded Institutional Supporting Research and Development
- University of California, BFB A-60, Short-Term Investment Pool (STIP) Policy - Distribution of Income
Implementing Documents

None

Other References

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