This policy outlines the policies by which restricted non-endowed gifts or grants are established and administered by the University of Richmond.

This policy applies to all non-endowed restricted funds.

FIN-15008.1 — Definitions

Restricted Fund

Restricted funds are current funds upon which restrictions are imposed by an external person(s) or entity, such as a federal agency or a private donor.

FIN-15008.2 — Types of Restricted Funds

Restricted gift — Funds from gifts to the university that are not part of the endowment but restricted for a particular use. An example of a restricted gift would be a one-time gift of $25,000 for a scholarship for students enrolled in a specific school or program.
Private grant – Funds from a non-governmental entity, normally solicited, that are to be used for performance of a specific task. A proposal or application is often required.

State grant – Funds from a state government, normally solicited, that are to be used for performance of a specific task. A proposal or application is often required.

Federal grant – Funds from an agency of the federal government, normally solicited, that are to be used for performance of a specific task. A proposal or application is often required.

FIN-15008.3 – Establishing New Restricted Funds

A restricted gift fund may be established upon written request from the requesting office with approval from the Office of the Controller.

Generally, a new Banner gift fund will not be created if expected funds available over a five-year period are below $10,000.

Grant funds will be created at the discretion of the Office of the Controller. Typically, grants will meet one or more of the following conditions:

- There is a written agreement between a sponsor (person, corporation, foundation or governmental agency) and the University.
- The University agrees to perform certain services in exchange for a specified dollar amount.
- The sponsor requires formal financial and/or technical reporting by the recipient as to the actual use of the money.
- The agreement is enforceable by law and is legally binding.
- Performance is usually accomplished under time and fund-use constraints.

Restricted grant funds that meet one or more of these criteria should be accounted for as a grant and will typically be set up in a unique fund.

FIN-15008.4 – Use of Restricted Funds

Each school or unit may spend restricted gifts in accordance with the gift restrictions associated with each restricted fund. The school or unit budget officer is responsible for compliance with those donor restrictions in the expenditure of funds, as well as compliance with other applicable policies, including appropriate record-keeping to ensure that the University can demonstrate the alignment of the expenditures with the applicable restrictions.

Allowable use of grants is determined by the notice of grant award, applicable legislation and relevant institutional policies.

RELATED POLICIES:

N/A

POLICY BACKGROUND:

Developed and approved in 2015. Non-substantive revisions made to update contacts and titles in October 2022.

POLICY CONTACTS:

Senior Associate Vice President for Finance and University Controller
Senior Associate Controller