

Gifts to Accounts Controlled by Donor

Faculty and administrators need to be aware that Research and Sponsored Programs is now enforcing a policy regarding certain deposits to gift accounts. According to IRS regulations, for a contribution to qualify as a gift no direct benefit (usually described as goods or services) may be received by the donor. This restriction becomes an issue if individuals make contributions to UW gift accounts that they directly control (i.e., on which they are specified as the PI). While the intention may be to foster general research or education, the investigator is considered to be directly benefiting from these contributions. This rule applies regardless of whether the gift is a direct contribution by the individual or an indirect case such as "signing over" an honorarium check.

To avoid this issue, monies may be credited to a Department or Chair controlled account such as a UW 133 Multiple Donor gift account or a similar account at the UW Foundation. The Department or Chair may then approve use of the funds following general University guidelines. In this manner, the University directly benefits from the gift since its use is directed by the Department. Gift funds are the property of the University and do not transfer with an investigator if he/she leaves the University. This again separates the individual from direct benefit.