

Appendix 3: Types of Revenue

Grants, contracts, gifts and course/program fees are different types of revenue that are processed differently. The information below will help you understand the difference between grants, contracts, and gifts and how they are processed at the University of Missouri. Course/program fees are managed through Cvent and Canvas with policy established in collaboration with program area units.

What if I want to process my grant, contract, or gift through my local county extension council? Both the university and county extension councils have legal authority to submit grant proposals, but there are important considerations in determining the appropriate administrative entity. County extension councils cannot administer funds that commit university personnel time/effort without additional binding agreements with MU/MU Extension.

For other considerations, see [Grants and Contracts: Extension Specific Grants](#) on MU Extension Way and consult the **County vs. MU Decision Tree**.

	Grant	Contract	Gift
What is it?	<p>Funding provided by a government, organization, foundation or corporation in exchange for a specific purpose.</p> <ul style="list-style-type: none"> ✓ Requires a scope of work and budget and/or requires fiscal accountability and reporting (i.e., we must report to sponsors about how the funds were spent). ✓ Typically for specially designed activities that do not regularly recur. ✓ In some cases, unspent funds must be returned. ✓ Also called “sponsored programs” or “sponsored projects.” 	<p>A legally binding agreement by which an entity purchases property or services.</p> <ul style="list-style-type: none"> ✓ Can be structured in various ways, such as a fee-for-service agreement (e.g., per class session, per consultation, per assessment, etc.) or partnership agreement. ✓ Does not require a detailed budget or fiscal accountability (i.e., we do not have to report to funding entity on how funds were spent). ✓ For recurring activities that an organization may provide to multiple funding entities. 	<p>Charitable donation given to the university with no reciprocal obligations.</p> <ul style="list-style-type: none"> ✓ Gifts do not have reporting requirements nor carry an obligation to return unspent funds. ✓ IRS requirements for receipting charitable contributions apply and are the responsibility of the organization receiving the gift: either the county council or MU.
How do I get started and who do I contact for help?	<p>First discuss with your education director, regional director, or senior program director to ensure the activity is aligned with the Program Plan of Work. Once supervisory support is secured, the MU Extension Pre-Award Team is there to assist with the application process and budget.</p>	<p>First discuss with your education director, regional director, or senior program director to ensure the activity is aligned with the Program Plan of Work. Once supervisory support is secured, the MU Extension Pre-Award Team is there to assist with the approval process and budget.</p>	<p>First discuss with your education director, regional director, or senior program director to secure their support. Contact the MU Extension Advancement Office for guidance and further support.</p>

<p>What overhead or facilities & administrative (F&A) rates apply?</p>	<p>MU's federally negotiated indirect cost rates apply. F&A is rarely waived unless restricted by the sponsor or the source of funds. See the Grant Fact Sheet for the correct rate to apply.</p>	<p>An administrative fee of 10% applies to cover the cost for MU Extension to administer.</p>	<p>A 5% gift fee applies to all contributions made to MU to cover the cost for MU Advancement to administer it.</p>
<p>Does MU Extension have any tools or templates to help me?</p>	<p>Visit Resource Development on MU Extension Way for boilerplate describing MU Extension, a letter of support model and template, grant training materials, and more.</p> <p>You can find more grant-seeking resources, including a budget template and a copy of MU's nonprofit status advisory letter, on MU Extension Way under grants and fiscal & accounting.</p>	<p>For partnership agreements, use the Partnership Agreement Example as a start in negotiations with the outside entity.</p> <p>For other service agreements, use the MU Simple Service Agreement Template as a start in negotiations with the outside entity.</p>	<p>Contact the MU Extension Advancement Office for guidance and further support.</p>
<p>How does it get processed?</p>	<p>Submit to the MU Extension Pre-Award Team, which will then route through the MU Office of Sponsored Programs Administration for an authorized signature and submission to the sponsor.</p>	<p>If a signed contract is required by the contracting entity, submit to the MU Extension Pre-Award Team, which will then route the contract through MU Business Services for an authorized signature. If no signed contract is required by the contracting entity, complete the work and submit an invoice to the contracting entity for payment.</p>	<p>Work with the MU Extension Advancement Office for gifts directed to MU Extension.</p>
<p>My project was funded. Now what happens?</p>	<p>The project lead becomes the principal investigator (PI) and assumes extensive administrative responsibility for completing the project and spending funds. The MU Office of Sponsored Program Administration will send the PI a Grant Award Summary with a MoCode once the award is fully executed. The college/department/division fiscal staff will assist the PI with incurring payments and invoicing requirements throughout the life of the project.</p>	<p>Complete activities and, if agreement is with an organization, invoice organization to receive payment.</p>	<p>The MU Extension Advancement Office will take responsibility for receipting the gift per IRS requirements. Some stewardship is required to maintain the relationship with the donor.</p>

Confused about the difference between a grant or a gift? Consult the [Gift vs. Grant Decision Tree](#).

Confused about the difference between a grant or a contract? Consult the Grant vs. Contract Decision Tree.