In many cases, it is easy to distinguish between a gift and a grant or exchange transaction. In other cases, it is not so easy. The criteria below is provided to aid in the determination. All the criteria should be examined, no one criterion is determinative alone. All of the facts and circumstances must be considered, including assessing the characteristics of transactions from the perspectives of the resource provider and Lehigh University to determine whether a gift or a grant or exchange transaction has occurred.

The information below is based on current guidance from the Financial Accounting Standards Board (FASB) and the National Association of College and University Business Officers (NACUBO) Financial Accounting and Reporting Manual (FARM) and is regularly subject to updates.

General characteristics of a gift:

* Voluntary
* Nonreciprocal
* Unconditional

General characteristics of a grant or exchange transaction:

* Is the result of a grant from or a contract or cooperative agreement with a federal, state, or local government agency
* Is the result of a contract with or the furnishing of goods and\or services of an instructional, research, or public service nature to a nongovernmental organization
* Each party receives and sacrifices something of approximately equal value

For guidance regarding proper classification please contact the Controller’s Office.