

January 2, 2020

Subject: Foreign Gifts and Contract Reporting

Purpose:

Institutions participating in the Title IV student assistance programs must report disclosure information to the Secretary of the Department of Education about gifts received from any foreign source, contracts with a foreign entity, and any ownership interests in or control over the institution by a foreign entity valued at \$250,000 or more. The purpose of this memo is to document the procedures for complying with this federal reporting requirement.

Background:

Higher Education Act of 1965 as amended; 20 U.S.C. § 1011f stipulated that on or before January 31st or July 31st, whichever is sooner, institutions must file a disclosure report about ownership or control by, or contracts with or gifts from foreign sources. A disclosure report must be filed with the Department of Education for gifts and contracts of \$250,000 or more received within a calendar year. A gift or contract meets the \$250,000 threshold either alone or when considered in combination with all other gifts from or contracts with that foreign source within a calendar year.

Process and Procedures:

This section summarizes the reporting procedures.

Data Collection

The Office of the Controller initiates the data collection process covering the entirety of the prior calendar year (Jan 1 – Dec 31) for January 31 reporting and the first half of the current calendar year (Jan 1 – Jun 30) for July 31 reporting, for the following:

1. Gifts – All incoming foreign source¹ gifts (cash or some other such as in-kind support) received by UMD, along with the name of the country of origin and the name of the donor.

¹ UMD does not consider US companies that are merely affiliated with a foreign entity to be foreign sources under Sec. 117. UMD will report gifts from US companies that are expressly flowing down foreign funds or expressly operating on behalf of a foreign source.

- a. Reporting restricted/conditional gifts. UMD will report gifts as restricted or conditional if the gift contains a provision regarding (1) the employment, assignment, or termination of faculty; (2) the establishment of new departments, centers, research programs, lecture programs, or faculty positions; (3) the selection or admission of students; and/or (4) the award of any form of financial aid restricted to students of a specified country, religion, sex, ethnic origin, or political opinion.
 - b. Information to be provided by the Office of the Vice President for University Relations (“VPUR”) include: (1) name of the foreign donor if the donor is a governmental entity; (2) date of gift; (3) amount of gift; (4) country in which the foreign source is located; and (5) whether the gift is “restricted” or “conditional”.
2. Contracts – All incoming foreign source¹ contracts to UMD entered into in each calendar year (based on the contract’s effective date²), along with the name of the country of origin and the name of the foreign source sponsor.
- a. Reporting restricted/conditional contracts. UMD will report contracts as restricted or conditional if, beyond the mere naming of a Principal Investigator (“PI”), the contract contains a provision regarding (1) the employment, assignment, or termination of faculty; (2) the establishment of new departments, centers, research programs, lecture programs, or faculty positions; (3) the selection or admission of students; and/or (4) the award of any form of financial aid restricted to students of a specified country, religion, sex, ethnic origin, or political opinion.
 - b. Information to be provided by the Office of Research Administration (“ORA”) include: (1) name of the foreign source; (2) country in which foreign source is located; (3) contract period of performance (start and end dates); (4) total amount of funding obligated; and (5) whether the contract is “restricted” or “conditional”.

² UMD considers a contract as “entered into” on the effective date of the contract, and not necessarily the date that UMD first receives the contract. UMD frequently has to negotiate contract terms so the date UMD receives a contract may not be the date on which UMD and the sponsor sign the final version of the contract.

3. all foreign gifts/receipts the College Budget Officers (CBOs) are tracking from Associate Vice President, Office of the Provost.

The information above is due shortly after December 31 and June 30 each year. Reminders are sent prior to the reporting deadline.

Data Validation

The Office of the Controller will validate the list against all incoming international wires and ACH transactions to ensure completeness, to the extent possible. Aggregation will then be performed by foreign sources to determine if funds of \$250,000 or more were received individually or in total from the same source within the reporting period. This step is due as soon as practicable.

Data Submission

The Office of the Controller will prepare a list of the reportable funds and send it to the Director, Financial Aid for submission to Department of Education. The information is due to Department of Education by the end of January and July each year. This information is entered into the electronic eligibility and recertification online application found at www.eligcert.ed.gov ; question 71. Each contract/gift is entered separately into the online application.

- The information needed for each contract include: Award date received; total amount of the award; Name of Foreign Entity, Country the foreign entity is headquartered in, the award start and end dates.
- Information needed for each gift include: date, donor name, amount and country.

Submitting the report: Once the report is submitted online, the signature page must be signed by the President and forwarded to the Department at the address given. Send the signature page to the President's Office with a cover memo asking that OFA be notified when signed so it can be picked up. Copy the signature page and file it along with the screen print that acknowledges submission of the report (date and time) and file. In addition, a copy should be provided to the Office of the Controller and the Office of General Counsel.

Effective Date: January 01, 2020

If you have any further questions, please contact Office of the Controller at controller@umd.edu or 301 405-2584.