



Gifts and Contracts from Foreign Sources UW-Green Bay Guidance on Complying with Sec. 117 of the HEA

[Section 117 of the Higher Education Act \(HEA\)](#) places a requirement on institutions which receive Title IV federal student aid to report to the Secretary of Education any gifts received from; contracts with; and any ownership interest in a foreign source. As a standard of materiality, Institutions must report contracts with or gifts from a single foreign source that have a value of greater than \$250,000 within a single calendar year. Institutions must also report any ownership interests in or control over the institution by a foreign source.

As the annual \$250,000 threshold may be triggered by the aggregate value of gifts and/or contracts from a single foreign source, it is required that the Controller's Office receive a report from any individual or operating area on submit information for **all foreign source contracts and gifts received**. The below process outlines how these reports should be made at UW-Green Bay.

Definitions

"Contract" means any agreement for the acquisition by purchase, lease, or barter of property or services by the foreign source, for the direct benefit or use of either of the parties

"Foreign source" means (A) a foreign government, including an agency of a foreign government; (B) a legal entity, governmental or otherwise, created solely under the laws of a foreign state or states; (C) an individual who is not a citizen or a national of the United States or a trust territory or protectorate thereof; and (D) an agent, including a subsidiary or affiliate of a foreign legal entity, acting on behalf of a foreign source

"Gift" means any gift of money or property provided without expectation of consideration or deliverable

"Intermediary" is an entity other than an institution that receives a gift originating from a foreign source or enters into a contract with a foreign source that is for the benefit of the institution

"Restricted or conditional gift or contract" means any endowment, gift, grant, contract, award, present, or property of any kind which includes provisions regarding (A) the employment, assignment, or termination of faculty; (B) the establishment of departments, centers, research or lecture programs, or new faculty positions; (C) the selection or admission of students; or (D) the award of grants, loans, scholarships, fellowships, or other forms of financial aid restricted to students of a specified country, religion, sex, ethnic origin, or political opinion



Reporting

The UW–Green Bay requires that any operational area or division which receives a gift from or engages in contract through above defined foreign source is to submit information to the Controller’s Office through the Grants Accountant not later than August 31 each year. Each report shall include all transactions which are reportable under these guidelines for the preceding fiscal year (July 1 to June 30).

Required Information:

Receipts from fee-for-service contracts must be included in support of the annual report. Fee-for-service contracts are often held by the Controller’s Office and Office of Grants and Research it is still necessary for the individual or department engaging in the contract to provide any receipts or other proofs of payment they receive with the annual report.

Gifts from foreign sources, both monetary and in-kind must be included in the annual report. If UW–Green Bay or an intermediary receives all or a portion of a pledge or bequest that meets the reporting threshold, that portion of a pledge or bequest must be reported even if the full pledge or gift is not yet received.

Due Diligence Requirement

In completing the obligation under Sec. 117 HEA the Institution is required to perform “reasonable due diligence” to determine if a party meets the definition of a foreign source. Each individual or department that receives payments from a foreign source to maintain documentation of how the foreign source designation was determined. Information should be prepared to identify foreign sources, affiliated or subsidiary relationships with foreign entities that may not be clear on its face.

Intermediary organizations must perform due diligence to determine whether they have reportable gifts from or contracts with a foreign source. Intermediaries can elect to use the UW–Green Bay annual reporting process or submit their own documentation but are ultimately responsible for the manner in which due diligence is performed. Intermediaries are to retain documentation regarding foreign source designation should it ever be needed upon request.