

 UNIVERSITY OF DENVER	UNIVERSITY OF DENVER POLICY MANUAL FOREIGN GIFTS AND CONTRACT REPORTING	
<u>Responsible Department:</u> Office of Enterprise Risk Management <u>Recommended By:</u> Provost, SVC for Business and Financial Affairs, AVC & Chief Risk & Compliance Officer <u>Approved By:</u> Chancellor	<u>Policy Number</u> RISK 12.10.040	<u>Effective Date</u> 6/21/2025

I. INTRODUCTION

- A. The University of Denver is sustained by funding from several different sources, including, but not limited to, gifts, grants, and federal aid.
- B. To continue to receive federal funding, the University of Denver must comply with reporting requirements set forth in the Higher Education Act of 1965 (HEA). This includes reporting on Gifts from and Contracts with a Foreign Source.
- C. Third parties may request information from the University about Gifts from or Contracts with foreign sources (as defined by the third-party requestor). Any University units needing to respond to such requests must contact Enterprise Risk Management (ERM) rather than the unit attempting to gather this information on its own. ERM will provide the necessary information to the unit to respond to the requests.

II. POLICY OVERVIEW

- A. University units must internally report all Gifts from or Contracts with a Foreign Source that are valued at \$5,000 or more to ERM twice per year, no later than July 7 and January 7.
- B. Intermediaries that receive a Gift from or enter into a Contract with a Foreign Source that benefits (whole or partial benefit) the University and is valued at \$5,000 or more, must report to ERM those Gifts from or Contracts with a Foreign Source twice per year, no later than July 7 and January 7.
- C. Section 117 of the HEA requires the University to report to the Department of Education all Gifts from or Contracts with a Foreign Source that have a value of \$250,000 or more, considered alone or in combination with all other Gifts from or Contracts with that same Foreign Source within a calendar year.

- D. To comply with the reporting requirements, units and intermediaries must report all Gifts from or Contracts with a Foreign Source that are valued at \$5,000 or more. The reason for this lower reporting threshold is that University units and intermediaries could receive a Gift from or have a Contract with a Foreign Source that is individually less than \$250,000, but when combined with Gifts from and Contracts with the same Foreign Source to/with other units or intermediaries, could amount to \$250,000 or more over the course of a calendar year.

III. PROCESS OVERVIEW

- A. Each University unit that receives a Gift from a Foreign Source or enters into a Contract for property or services by a Foreign Source, that is valued at *\$5,000 or more* must report that Gift or Contract to ERM through the Foreign Gift & Contract Reporting Survey on [ERM's website](#). Each unit must determine within their unit which employee role(s) is responsible for tracking and reporting this information to ERM on or before each due date.
- B. Each intermediary that receives a Gift from or enters into a Contract with a Foreign Source that benefits (whole or partial benefit) the University and is valued at *\$5,000 or more* is responsible for reporting that Gift or Contract to ERM through the Foreign Gift & Contract Reporting Survey on [ERM's website](#). Each intermediary must determine which position(s) within their intermediary is responsible for tracking and reporting this information to ERM on or before each due date.
- C. Units and intermediaries must enter their reports no later than July 7 (for the previous January 1 - June 30) and January 7 (for the previous July 1 - December 31) to meet the deadline for each reporting cycle. The unit or intermediary must make the reports prior to this deadline if a Gift was received from, or a Contract was executed with, a Foreign Source during the applicable reporting period. For Contracts with a Foreign Source, units and intermediaries must also track and report the date funding was received from the Foreign Source.
- D. Units and intermediaries must perform reasonable due diligence to ascertain whether the party to any Gift or Contract is a Foreign Source and the country associated with the Foreign Source. Reasonable due diligence may vary: more diligence may be appropriate for transactions with a new Foreign Source, less diligence may be necessary for transactions with a repeat Foreign Source. If the country of incorporation/principal place of business or residence is foreign, the unit/intermediaries should use that address to determine if the party should be included in the unit's or intermediary's reporting. If the country of incorporation/principal place of business or residence is U.S.-based, the unit or intermediary must still determine whether the party is an agent, subsidiary, or affiliate of a Foreign Source.

- E. ERM compiles the reports from each unit and intermediary to determine which (if any) of the reported Gifts and/or Contracts with a Foreign Source must be reported to the Department of Education. If any Gifts and/or Contracts total \$250,000 or more, when combined with other reported Gifts and/or Contracts from a single Foreign Source, the University must report those Gifts and/or Contracts to the Department of Education. Once the \$250,000 threshold is met, the University must report to the Department of Education all individual Gifts and Contracts with that Foreign Source for the remainder of the calendar year.
- F. ERM will send the University's Office of Financial Aid the Gifts and/or Contracts with a Foreign Source that the University must report to the Department of Education as required by HEA Section 117. The University must complete the HEA Section 117 reports twice per calendar year: July 31 (for the previous January 1 - June 30) and January 31 (for the previous July 1 - December 31). The University must report reportable Gifts and/or Contracts on the closest due date after the date of receipt of the Gifts or execution date of the Contract.

IV. DEFINITIONS

- A. These terms are defined in [Section 117 of the HEA \(20 U.S.C. §1011f\(h\)\)](#), with [additional guidance from the Department of Education](#).

1. **"Gift"** means any gift of money or property.
2. **"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.
 - a) **Includes**, but is not limited to, the following types of contracts:
 - tuition for students paid by a Foreign Source;
 - intellectual property license fees from a foreign licensee;
 - data or materials sold, leased, or bartered to a Foreign Source.
 - b) **Excludes** contracts involving purchases by institutions **from** Foreign Sources so long as they are arms-length, fair market value transactions. If the contract is well below market value, then it must be internally reported to ERM.
3. **"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.

If a business is a foreign subsidiary of a U.S.-based corporation or a parent company, it may still be considered a Foreign Source as defined above.

4. **“Intermediary”** means a legal entity other than an institution (as defined by the HEA and its implementing regulations and related guidance) that engages in a reportable transaction that benefits an institution.
 - a) The institution must report any Gifts from, or Contracts with, a Foreign Source received at an intermediary where the Gift or the Contract is for the benefit of the institution, and the value meets the threshold.

V. RESOURCES

A. Higher Education Act (HEA), Title 1 Part B Sec. 117, [20 U.S.C. §1011f\(a\)](#).

B. [Department of Education’s HEA Section 117 webpage](#).

Revision Effective Date	Purpose