



## Foreign gift and contract reporting: Tuition paid by foreign source applies

December 18, 2020

As we rapidly approach the New Year, higher education institutions should ensure they have met their foreign gift and contract reporting requirements. Institutions are required by [Section 117](#) of the Higher Education Act to biannually report to the Department of Education (ED) gifts or contracts valued at \$250,000 or more that are entered with a foreign government or non-governmental foreign source.

The burden of reporting gifts or contracts with foreign entities rests on the financial aid offices of the institutions. Under the statute, reporting is only required when the \$250,000 threshold is met when tallying up all of the gifts from, or contracts with, a single source. This prevents the need to report smaller interactions that would exceed the threshold amount if the gifts and contracts of multiple entities were aggregated. The ED's Federal Student Aid Handbook provides practical guidance regarding reporting requirements. ED has not issued an update on the relevant volume for the 2020-2021 award year, however, helpful information can be found in the Handbook ([Volume 2, Chapter 6, pages 2-176 to 2-180](#)).

When identifying applicable gifts and contracts at your institution, it is important that the ED considers tuition paid by foreign sources to fall within required reporting of contracts entered into with a foreign government or non-governmental foreign source. The ED shared this interpretation on page 8 of its [Response to Public Comment](#), posted on December 17, 2019. The ED explained its rationale in the public comment and provided the following guidance, “[w]e note the threshold would likely be met in situations where a foreign source pays tuition for multiple students and the aggregate amount exceeds the \$250,000 threshold. We believe that this information collection is consistent with all applicable laws, including FERPA.”

Beyond tuition, campuses enter into a diverse number of contracts and receive gifts in a variety of offices. It is imperative that your institution have policies and procedures to gather all applicable gifts and contracts so that reports to ED can be thorough and accurate. Common campus offices that receive foreign gifts or contracts include alumni engagement, athletics, medical centers, research facilities, study abroad and foreign campus, and advancement or development.

The next deadline for the upcoming reporting cycle is January 31, 2021, and institutions should also ensure that previous reports have been successfully submitted if applicable.

# Authors

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