

# SECTION 117 OF THE HIGHER EDUCATION ACT OF 1965 COMPLIANCE TOOLKIT

This toolkit provides campuses with resources to ensure timely and accurate Section 117 reporting. It includes:

- **Comprehensive Guidance:** Explanations of Reporting Requirements and Best Practices, including definitions of key terms and criteria for reportable transactions.
- **Educational Resources:** Guidance and FAQs to illustrate compliance requirements and best practices.
- **Practical Information:** An Excel-based template that may be used to ensure consistency in Section 117 reporting across campuses and ways to know your donor.

In developing this guidance, the Ethics, Compliance and Audit Services (ECAS) unit consulted with campuses, UC Legal and the Research Policy Analysis and Coordination (RPAC) unit; we also used publicly available Department of Education sources, our recently issued [Compliance Alert](#) and [RPAC's Section 117 guidance](#) and [FAQs](#).

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# 1. Executive Summary

Section 117 of the Higher Education Act of 1965<sup>1</sup> requires higher education institutions that receive [Title IV federal student aid](#) to submit reports to the [U.S. Department of Education](#) about gifts received from any foreign source, contracts with a foreign source, and any ownership interest in, or control over the institution by a foreign source.



## **Why are we reissuing this Section 117 information now**

Federal agencies recently increased scrutiny of foreign gifts and contracts. In April 2025, the White House issued Executive Order 14282, “[Transparency Regarding Foreign Influence at American Universities](#)” which reinforced disclosure obligations and signaled an enhanced investigative environment.

This toolkit helps the University of California apply the Section 117 rules consistently, maintain supporting documentation, and submit accurate and timely reports. Under Section 117, each campus must report any gift or contract from a foreign source if the value, alone or when aggregated with all other gifts and contracts from the same foreign source, is \$250,000 or more in a single calendar year. This toolkit provides practical guidance for tracking information needed for reporting.



## **Who Should Use This Toolkit**

Use this resource if you are responsible for compliance with federal award terms, receipt of foreign contracts or gifts, or reporting of foreign gifts and contracts. It applies to:

- Sponsored Projects / Research Administration
- Development/Advancement
- Contract and Grant Accounting
- Technology Management and Advancement
- UC Campus Foundations (philanthropic)
- Controller’s Office (e.g., Sundry Debtor/Accounts Receivable)
- Technology Transfer & Licensing
- Education Abroad & Global Programs
- Financial Aid
- Business Contracts
- Real Estate
- University Extensions

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<sup>1</sup> [See 20 U.S.C. 1011\(f\); Pub. L. 89-329](#)

- Affiliated overseas locations, institutes, or programs
- For locations with medical schools or hospitals: any corresponding offices in the clinical enterprise

## 2. Reporting Requirements (When and What)

### A. Reporting Deadlines

- If you received a gift or entered into a contract between January 1 and June 30, your filing deadline is no later than July 31.
- If you received a gift or entered into a contract between July 1 and December 31, your filing deadline is no later than January 31.
- In all cases, the deadline is whichever comes first *after* the gift is received or the contract is entered into.

### B. Summary of Reporting Requirements

The table below summarizes the information locations must capture for each type of foreign source, including the source's identity, the type of funds provided, aggregate amount and dates received, and any restrictions. Collecting these details ensures UC meets federal reporting requirements accurately. A sample worksheet to help collect information throughout the year is included in Section 5 below.

**Legend:**

Required Reporting indicated with the letter "Y"

Reporting Not Required indicated with the letter "N"

Foreign Source Category: Type of Funds	Country Name	Foreign Source Name	Address	Recipient Institution/ Intermediaries	Aggregate Amount	Gift/Contract Date(s)	Condition/ Restrictions
<b>Foreign Government:</b> Gifts or Contracts	Y	Y	N	Y	Y	Y	N
<b>Foreign Government:</b> Restricted/Conditional Gifts or Contracts	Y	Y	N	Y	Y	Y	Y
<b>Foreign Entity (non- government):</b> Gifts or Contracts	Y	Y	Y	Y	Y	Y	N
<b>Foreign Entity (non- government):</b> Restricted/Conditional Gifts or Contracts	Y	Y	Y	Y	Y	Y	Y
<b>Foreign Person:</b> Gifts or Contracts	Y	Y	Y	Y	Y	Y	Y
<b>Foreign Person:</b> Restricted/Conditional Gifts or Contracts	Y	Y	Y	Y	Y	Y	Y

## 3. Best Practices

This section provides general best practices and an example with roles and responsibilities.

### A. General Best Practices

- *Regularly convene a working group or committee to oversee Section 117 reporting:* consider inclusion of all relevant campus units.
- *Single, campus-wide point-of-contact for Section 117 data collection:* Although the Financial Aid office often uploads information via the Department of Education portal, another office may collect, analyze and verify disclosures from campus units.
- *Assign roles and responsibilities:* Appendix C provides an example of how a campus may assign duties across its units.

### B. Anonymous Donations

Although campuses may respect requests for public anonymity, such as in marketing materials or press releases, they must report names and addresses to the Department of Education, to the extent this information can be reasonably obtained. “Reasonably obtain” means taking and documenting good-faith efforts to identify the actual donor behind the gift. These can include making independent checks and, where appropriate, directly asking for information. Campuses can clearly indicate in the reporting portal that it considers the name and address of a foreign source to be confidential and exempt from public disclosure pursuant to FOIA.

Accordingly, campuses should:

- Take reasonable steps to verify the source’s identity and document the efforts undertaken;
- Consider the methods consistent with Section 117 expectations (see Section 6: *Donor Information – Practical Considerations* for examples such as consulting public records, reviewing contract terms, or requesting information from the donor);
- Determine, based on the results, whether the gift or contract must be reported under Section 117.

When a gift comes from a third-party entity, such as a donor-advised fund, and the donor requests anonymity, Section 117 still requires each campus to make reasonable efforts to identify the donor and determine whether the gift originates from a foreign source.

## 4. Frequently Asked Questions

### **Q: What is Executive Order 14282, “Transparency Regarding Foreign Influence at American Universities”?**

**A:** On April 23, 2025, the White House issued an Executive Order 14282 “Transparency Regarding Foreign Influence at American Universities,” which significantly expands federal enforcement of Section 117 and compliance expectations.

Some key areas of focus:

- *Stronger federal oversight:* Enforcement may extend beyond the Department of Education to the Attorney General, increasing the risk of criminal prosecution and higher penalties.
- *Elevated False Claims Act risk:* Certifications of compliance with Section 117 are considered “material” under the False Claims Act (FCA) and for receipt of federal grants. Inaccurate or false certifications may trigger enforcement under the FCA, exposing the University to significant financial penalties and potential liability.

### **Q: What types of foreign gifts or contracts must be reported under Section 117?**

**A:** Reportable foreign gifts and contracts received by UC include, but are not limited to:

- Cash gifts
- Contracts (including grants and other agreements, such as affiliation, material transfer, or licensing agreements, etc.)
- Executive Education and Extension Program Contracts
- In-Kind Contributions
- Real Estate
- Cryptocurrency

### **Q: How is the \$250,000 threshold calculated?**

**A:** Section 117 requires campuses to report any Gifts and Contracts from a single foreign source when the value, alone or when *aggregated* with all other gifts and contracts from the same foreign source, is \$250,000 or more in a single calendar year. Reports are due to the Department of Education by January 31 or July 31, whichever comes first after the contract is signed or the gift is received.

- All Contracts and Agreements from a single source must be counted toward the threshold, *regardless* of whether they are restricted or unrestricted

**Q: Do multiple small gifts or contracts count toward the threshold?**

**A:** Yes. Locations must add together all gifts and contracts from the same foreign source within a calendar year. Once the total exceeds \$250,000, *all* transactions with that source must be reported, including the smaller ones.

**Q: Do pledges count toward the threshold?**

**A:** No, a pledged gift, alone, is not reportable. When pledge payments are received, in whole or in part, they should be reported.

**Q: Do in-kind contributions count toward the threshold?**

**A:** Yes. The value of in-kind contributions (such as real estate or services) counts if the value can be determined. These must be included in the threshold calculation. The Department of Education has stated that institutions are required to report in-kind exchanges provided as part of a gift or contract (e.g. textbooks or materials for a program). The value should generally be the item's fair market value.

**Q: How do campuses handle anonymous donations as it pertains to Section 117 reporting?**

**A:** Campuses may honor a donor's request for *public* anonymity, but the Department of Education expects anonymous donations be reported "to the extent the institution has or could reasonably obtain the foreign source's identity."<sup>2</sup> Campuses are encouraged to make independent checks and, where appropriate, directly ask for information. Using more than one method or source to corroborate information is also highly encouraged. When using the reporting portal, campuses can clearly indicate it considers the name and address of a foreign source to be confidential and exempt from public disclosure pursuant to FOIA. See Section 6: *Donor Information – Practical Considerations* for additional examples of vetting methods.

**Q: Are cryptocurrency donations from foreign sources reportable under Section 117, and how should they be reported?**

**A:** Cryptocurrency is reportable under Section 117 if received from a foreign source and if the value of the gift (alone or in aggregate with other contributions from that source) exceeds \$250,000 in a calendar year. Campuses must take reasonable steps to determine the source.

**Q: What if I have additional questions, where can I go?**

**A:** There are multiple resources available to you.

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<sup>2</sup> [Section 117 of the Higher Education Act Presentation by the U.S. Department of Education \(PDF\)](#)

The Department of Education, RPAC and ECAS all have published materials regarding Section 117:

- Department of Education: [Frequently Asked Questions | Knowledge Center](#)
- RPAC: [Frequently Asked Questions - Foreign Gifts & Contracts Reporting under HEA Section 117 | UCOP](#)
- ECAS: [Compliance with Section 117 Of the Higher Education Act of 1965](#)

## 5. Section 117 Reporting Template

The Department of Education's Section 117 portal requires several pieces of information, often gathered from multiple departments. To support accurate reporting, locations should collect this information in real time.

To make this process easier and standardize data collection, we have provided an Excel spreadsheet which mirrors the language in the Department of Education's portal. Campuses may adapt this template into a shareable format (e.g. Google Doc, Smartsheet) to fit local workflows. What matters most is consistent use of a standard template, whether ours or an existing campus tool, to ensure accuracy and maintain a reliable historical record for future reporting.

[Section 117 Data Collection Template](#)

## 6. Donor Information: Practical Considerations

As a part of Section 117 compliance, the Department of Education expects institutions to make reasonable efforts to understand the sources of gifts and contracts. For campuses, this means documenting "good faith efforts" to determine whether a gift or contract is from or with a foreign source.

Broadly, such vetting is known as due diligence, which entails verifying the information presented to campuses (such as citizenship or an entity's registration) using an independent source of information.<sup>3</sup> Campuses are expected to exercise due diligence in managing gifts and contracts and should use available resources to support and document their efforts.

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<sup>3</sup> The Department of Education has stated that institutions must conduct "reasonable due diligence" when they receive the benefit of a contract or gift to determine whether the gift or contract is from or with a foreign source. [Section 117 of the Higher Education Act Presentation by the U.S. Department of Education \(PDF\)](#)

To vet potential donors, campuses may:

**I. Consult Public Records**

*This can identify the **country** of incorporation (if an entity) citizenship, (if an individual) and check for links to a foreign government (e.g. ownership stakes)*

For example, a campus unit could search:

- Business registries in the foreign source's home country,
- Corporate websites (ownership pages),
  - [opencorporates.com](https://opencorporates.com)
  - [lei-lookup.com](https://lei-lookup.com)
- News reports and filings (Bloomberg, SEC, UK Companies House, etc.)

**II. Consider the terms of the specific contract or grant agreement**

*This may assist with identifying the role of a foreign government.*

For example, a campus unit may ask:

- Does the contract or grant name a foreign ministry or public university?
- Does the contract or grant reference laws of a foreign government, indemnification clauses tied to sovereign immunity, or other signals it's a state entity?

**III. Consider directly asking the counterparty**

*This will assist in documenting a good faith effort and can be filed should there be inquiries later. Note: the Department of Education cautions against overreliance on certifications from donors.*

For example, a campus development office can determine when to ask the donor for additional information, like confirming their current address. For donors with foreign addresses, the campus development office can determine if it is appropriate to send a "foreign source classification" questionnaire to the donor, asking them to provide the country of citizenship (if an individual), country of incorporation (if an entity), or whether they are associated with a foreign agency, instrumentality, or wholly/partially owned by a foreign government.

For additional tools related to due diligence, please contact your locations [Export Control Office](#) or [Research Security Contact](#).



## 7. Definitions

- **Foreign Source:** the term "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; (D) an agent, including a subsidiary or affiliate of a foreign legal entity, acting on behalf of a foreign source;
- **Gift:** the term "gift" means any gift of money or property;
- **Contract:** the term "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;
- **Restricted or Conditional Gift or Contract:** the term "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.

## 8. Points of Contact and Additional Resources

Office	Purpose	Access
Research Policy Analysis & Coordination (RPAC)	Guidance on Section 117 foreign source funding reporting.	Website: <a href="#">Foreign Source of Funding Reporting   UCOP</a>
Chief Ethics & Compliance Officers (CECOs)	Campus-level compliance and ethics support.	Website: <a href="#">Campus Ethics and Compliance Officers   UCOP</a>
Ethics, Compliance & Audit Services (ECAS)	UC-wide ethics, compliance, and audit framework.	Website: <a href="#">ECAS Website Overview   UCOP</a>

## 9. Appendices

- **Appendix A:** Links to RPAC Guidance Memo and FAQs [Memo 24-02: Section 117 of the Higher Education Act \(HEA\) of 1965 Foreign Gift and Contract Reporting](#)
- **Appendix B:** Executive Order 14282 [Federal Register: Transparency Regarding Foreign Influence at American Universities](#)
- **Appendix C – Example of Campus Roles and Responsibilities:** this table illustrates how different campus units *could* coordinate responsibilities, such as due diligence, reporting and threshold monitoring, to ensure consistent reporting.

Example Role	Example of Responsible Campus Unit	Example Agreement Type	Conducts due diligence, confirming donor origin/ confirm foreign source? This includes anonymous donations.	Consult with Legal on Contract Scope?	Upload information into DoE portal?	Determines Restricted Gifts	Monitors the \$250K threshold and collects data
Point-of-Contact	CECO/Campus Ethics Office	N/A	No	No	No	No	Yes
Uploads to DoE portal	Financial Aid	N/A	No	No	Yes	No	No
Intake	Sponsored Projects / Research Administration	Contracts and Grants	Yes	Yes	No	Yes	No
Intake	Development / Advancement	Gifts	Yes	Yes	No	Yes	No
Intake	Contract and Grant Accounting	Contracts, Gifts	Yes	Yes	No	Yes	No
Intake	Technology Management and Advancement	Contracts, Gifts	Yes	Yes	No	Yes	No
Intake	UC Campus Foundations (philanthropic)	Gifts	Yes	Yes	No	Yes	No
Intake	Controller's Office (Sundry Debtor / Accounts Receivable)	Contracts, Gifts	No	Yes	No	Yes	No

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Intake	Technology Transfer & Licensing	Contracts, Gifts	Yes	Yes	No	Yes	No
Intake	Education Abroad & Global Programs	Gifts, Contracts	Yes	Yes	No	Yes	No
Intake	Business Contracts	Contracts, Gifts	Yes	Yes	No	Yes	No
Intake	Real Estate	Contracts, Gifts	Yes	Yes	No	Yes	No
Intake	University Extensions	Contracts, Gifts	Yes	Yes	No	Yes	No
Intake	Affiliated overseas locations, institutes, or programs	Contracts, Gifts	Yes	Yes	No	Yes	No
Intake	For locations with medical schools or hospitals: any corresponding offices in the clinical enterprise	Contracts, Gifts	Yes	Yes	No	Yes	No