MHEC
MARYLAND HIGHER EDUCATION COMMISSION

Guidelines for the Community Colleges' Innovative Partnerships For Technology Program

Division of Finance Policy

Approved: November 10, 1998
Revised: June 2003

MARYLAND HIGHER EDUCATION COMMISSION
839 Bestgate Rd. • Suite 400 • Annapolis, MD 21401-3013

Guidelines for the Community Colleges' Innovative Partnerships for Technology Program (IPT)

I. Authority

The Innovative Partnerships for Technology Program was enacted into law by the Maryland General Assembly (Annotated Code of Maryland-Education Article Section 16-317) in 2001.

II. Purpose

To provide State-matching funds for donations from the private sector or public foundations for the technology needs of eligible institutions (community college campuses). The State will match an amount up to a maximum of $300,000 (dollar per dollar) per eligible institution to donations from eligible donors.

III. Program Definitions

A. Eligible Program

Eligible program means any contribution for technology, which does not contain unreasonable restrictions as to use as defined by the Maryland Higher Education Commission.

B. Technology

Technology is defined in the law (Annotated Code of Maryland Education Article Section 16-317 (A)(9)) to mean any hardware, software, communications infrastructure, and associated training and contracted services that enable local or global presentation, exchange, and transmission of information in digital or analog form for teaching, learning, student support services, and administration. The definition of technology includes capital expenditures but does not include staff.

C. Eligible Institutions and Sums

Eligible institutions are the community college campuses enumerated by law and do not include the colleges' affiliated foundations. Designated eligible institutions (community college campuses) that raise contributions up to a maximum of $150,000 in the first eligible period (FY 2003-FY 2004) in monies and/or equipment from eligible donors above donations received during the base year period (FY 2002; July 1, 2001 through June 30, 2002) specifically for technology will have that amount matched in whole contingent upon the availability of State funds.

Please note: Only if an eligible institution receives voluntary donations of

$150,000 during the first eligible period, will they then qualify to participate in the second eligible period.

The same eligible institutions (community college campuses) are also eligible to raise contributions, for State matching purposes, up to $150,000 for technology in a second eligible period (FY 2005 – FY 2006) following the same guidelines as the first eligible period.

D. Eligible Donors

Eligible donor means any individual, corporation, partnership, organization, or other business organization, public or private foundation or other nonprofit organization which makes a contribution that is an increase over the amount contributed by the donor during the base year, or a contribution made by a new donor during one or both of the eligible periods. Eligible donor may include a community college's affiliated foundation. Eligible donor does not include a local government, the State, the federal government, or any foreign government.

E. Eligible Contribution

1. An eligible contribution is any monetary or equipment donation specifically designated to benefit one or several eligible institutions received during one or both of the following periods: FY 2003 and FY 2004; and FY 2005 and FY 2006 that exceeds the base year (FY 2002) donation.

2. The eligible contribution must be clearly designated for technology by the donor. Equipment donations must be assessed a fair market monetary value amount.

IV. Program Components

A. Base Year

FY 2002 (July 1, 2001 through June 1, 2002) is the "base year" for comparing eligible donors and donations to the eligible institution during the eligible years when matching funds are requested. The base year comparison should not include contributions made to an eligible institution during the base year by an eligible donor pursuant to legal or contractual obligations of the donor, including contributions from a community college's affiliated foundation for identified scholarship programs.

B. Eligible Periods

1. The first eligible period is FY 2003 (July 1, 2002 through June 30, 2003; and FY 2004 (July 1, 2003 through June 30, 2004).

2. The second eligible period is FY 2005 (July 1, 2004 through June 30, 2005); and FY 2006 (July 1, 2005 through June 30, 2006).

V. Record Keeping, Auditing, and Reporting Requirements

A. Record keeping and Auditing Requirements

1. Eligible institutions must keep a separately identified account of donations received. Additionally, the eligible institutions should maintain records in support of all reports and claims filed for matching State payments.

2. Eligible institutions shall prepare and maintain a comprehensive list of the donations received and pledged amounts for the base year period of July 1, 2001 through June 30, 2002 (FY 2002). Please take note that the donor's names should be clearly delineated to avoid any ambiguities or conflicts. (i.e. John and Mary Smith instead of Mr. and Mrs. Smith). The listing of base year donations should be audited.

3. Eligible institutions receiving State payments under this program shall provide the Maryland Higher Education Commission one copy of its community college annual fiscal year audit and management report within 90 days of the close of each fiscal year. If a community college currently provides the Commission (Division of Finance Policy) with a copy of the annual audit and management report, it is not necessary to submit a second copy.

4. Examples of satisfactory documentation that a donation was for an eligible technology program includes, but is not limited to: deeds of gifts; bequests; testamentary instruments; individual letters from donors or their designees; membership or alumni solicitation mailings; newsletters; public notices regarding contributions; event admission fees; posters or other publicity for fund-raising events; scripts for telethons or for radio, television or telephone solicitations; or other written documentation that is retained by the receiving institution and provides positive evidence of the donor's intent.

5. Eligible institutions should maintain a record of the use of all donations, private and State-matching funds, received for the technology program.

6. Eligible institutions are required to have an "independent auditor" certification form assuring that all monies, the donor's and matching State

funds are used exclusively for technology.

7. All relevant records should be kept through July 1, 2011, or until audited.

B. Reporting Requirements

1. Claims should be submitted to the Maryland Higher Education Commission's Director of Finance Policy in the format requested (see Appendix B) in each of the fiscal years of the two eligible periods.

2. Eligible institutions must submit all required forms for the annual report of donations and pledges and anticipated revenue by the dates specified by the Maryland Higher Education Commission. The report of cash receipts and donations will be due within 120 days of the close of each fiscal year.

VI. State Match

A. Matching payments from funds appropriated by the State for any fiscal year will be prorated among eligible institutions, which have submitted valid claims of received eligible contributions. Payments shall be made in the third fiscal year following the fiscal year during which the contributions are made. Examples shown below:

1. Eligible contributions received in FY 2003 and reported to the Commission in FY 2004, will be State-Matched in FY 2006
2. Eligible contributions received in FY 2004 and reported to the Commission in FY 2005, will be State-Matched in FY 2007.
3. Eligible contributions received in FY 2005 and reported to the Commission in FY 2006, will be State-Matched in FY 2008.
4. Eligible contributions received in FY 2006 and reported to the Commission in FY 2007, will be State-Matched in FY 2009.

VII. Guidance

A. The Commission's Director of Finance Policy is authorized to provide, upon written request, guidance on any issue arising from the administration of this program.

B. Eligible institutions may appeal the Director's guidance determinations to the Secretary of Higher Education. All appeals must be submitted in writing within thirty (30) days to the Director of Finance Policy and contain detailed reasons that would justify reversal of the original decision, including all appropriate documentation. The Secretary will review each appeal and make a decision within sixty (60) days after receiving the appeal. Written notification will be provided. All decisions of the Secretary are final.

Maryland Higher Education Commission's
Innovative Partnerships for Technology Program (IPT)
State-Matching Share

Eligible Institution	Community College Affiliation	Period I FY 2003-2004	Period II FY 2005-2006	Maximum State Share
Allegany	Allegany College of Maryland	$150,000	$150,000	$300,000
Anne Arundel	Anne Arundel Community College	150,000	150,000	300,000
Baltimore City	Baltimore City Community College	150,000	150,000	300,000
La Plata	College of Southern Maryland	150,000	150,000	300,000
Leonardtown	College of Southern Maryland	150,000	150,000	300,000
Prince Frederick	College of Southern Maryland	150,000	150,000	300,000
Carroll	Carroll Community College	150,000	150,000	300,000
Catonsville	Community Colleges of Baltimore Co.	150,000	150,000	300,000
Dundalk	Community Colleges of Baltimore Co.	150,000	150,000	300,000
Essex	Community Colleges of Baltimore Co.	150,000	150,000	300,000
Cecil	Cecil Community College	150,000	150,000	300,000
Chesapeake	Chesapeake College	150,000	150,000	300,000
Frederick	Frederick Community College	150,000	150,000	300,000
Garrett	Garrett Community College	150,000	150,000	300,000
Hagerstown	Hagerstown Community College	150,000	150,000	300,000
Harford	Harford Community College	150,000	150,000	300,000
Howard	Howard Community College	150,000	150,000	300,000
Germantown	Montgomery College	150,000	150,000	300,000
Rockville	Montgomery College	150,000	150,000	300,000
Takoma Park	Montgomery College	150,000	150,000	300,000
Prince George's	Prince George's Community College	150,000	150,000	300,000
Wor-Wic	Wor-Wic Community College	150,000	150,000	300,000
Net Totals		$3,300,000	$3,300,000	$6,600,000

Note: In order to qualify for and participate in Period II State-matching funds, each eligible institution must meet the maximum donation goals of Period I.

Maryland Higher Education Commission
Guidelines for the Community Colleges'
Innovative Partnership for Technology (IPT) Program

Frequently asked Questions (Q) and Answers (A)

Technology:

Q. 1 Must the State's matching funds be used exclusively for technology as defined in the law and guidelines?

A. 1 Yes, all monies, the donor's and State funds, must be used exclusively for technology.

Q. 2 Are there examples of what is considered to be "technology"?

A. 2 Technology needs generally cover instructional and administrative technology, intercampus networks and distance learning initiatives, technology support and campus technology infrastructure. For purposes of instructional, administrative, and research initiatives, institutions are looking toward expanded data networks and integrated networks for voice, video and data transmission. Institutions are creating intercampus links, synchronous transmission and enhancing traditional classrooms for multimedia applications and distributed learning or hyper learning models (stations for connections to Internet, databases, use of commercial products, etc.).

Some technology examples include:

Hardware/infrastructure/services: personal computers; T1 and ISDN lines; wiring; construction and renovation of classrooms for interactive or Internet connections; Codecs; whiteboards; faxes; video monitors and cameras; appropriate furniture; acoustics; compressed video equipment; desktop video conferencing equipment; telecommuting facilities; video production equipment; satellite/microwave downlink and uplink equipment; digital satellite upgrades; studio broadcast facilities; PBX systems; local area networks; and conduits to connect buildings.

Software/services: digitizing library resources; purchase of digital databases and the array of educational/administrative software; and online services (registration conversion, aid awards, tutoring, help desk, etc.).

Training/development: conversion to computerized assessments; course development for online courses and/or other distance delivery (video, interactive, combinations); faculty/staff training in use of Internet; interactive classrooms; multimedia; video production; faculty training in instructional design and curriculum design for the student-centered distributed learning environment.

Q. 3 Can any piece or pieces of equipment be considered "technology"?

A. 3 The equipment must be in the possession of the eligible institution and comport to the definition of technology as noted in the law (Education Article, 16-317 (A)(9), Annotated Code of Maryland). Eligible institutions should consult the Director of Finance Policy, Maryland Higher Education Commission, if an issue arises.

Q. 4 What are the parameters of a capital expenditure?

A. 4 Capital expenditures result in the acquisition of capital assets. A capital asset is defined as "any physical resource that benefits a program for more than one year," and includes expenditures for land, buildings, improvements, equipment, and library books.

Q. 5 If a donor determines a piece of equipment to be "technology" and it does not fall within the guidelines for this program, can it still be included as a bona fide contribution?

A. 5 No, the equipment must meet the guidelines established by the Commission.

Eligible Periods:

Q. 6 When is an eligible contribution considered received?

A. 6 Any eligible contribution is considered received when the eligible institution has fiduciary or physical control of the asset. When received, it must be included in the report for the eligible period.

Q. 7 At what point in time is the contribution considered made to the College?

A. 7 The contribution is considered received and eligible when the eligible institution has control of the asset.

Q. 8 Are carry-overs from the first eligible period to the second eligible period permitted?

A. 8 No, the date a contribution is received governs. Pledges may be made to cover both eligible periods, but the actual date a donation is received governs the matching by the State.

Q. 9 If an eligible institution fails to generate the entire $150,000 in the first eligible period, will it receive a match for the amount generated?

A. 9 Yes, the amount of eligible contributions received will be matched contingent on the availability of appropriated funds. The institution will not be eligible, however, for any matching funds during the second eligible period.

Q.10 If an eligible institution receives money or equipment in support of this program after the second eligible period has passed, can those assets be applied retroactively for a State match?

A. 10 No, all eligible contributions must be received within the eligible time frames noted in the guidelines.

Eligible Donor:

Q.11 If a foundation contributed money to a community college campus during the base year in order to pay for scholarship programs, should the amount of that contribution be included in the base year comparison?

A.11 The base year comparison should not include the foundation's base year contributions pursuant to its already existing legal or contractual obligations. This would include contributions the foundation was obligated to make to the community college campus for identified scholarship programs.

Q.12 If a foundation receives a contribution that is intended by the donor to be used to establish or contribute to a "technology endowment" for a community college, will State matching funds be provided under the IPT program?

A.12 The State will only match contributions received by a community college campus, not its affiliated foundation. To qualify for matching funds, the foundation must make a contribution to the community college campus, communicating to the college the original donor's intent. Consistent with Education Article, section 15-104(a)(1), Annotated Code of Maryland, the college should honor the original donor's intent by using the funds to establish a "technology endowment." This may be accomplished through the foundation so long as the provisions of Education Article, section 15-104(b)(4), Annotated Code of Maryland, are satisfied ("No funds shall be accepted from an affiliated foundation by a public institution of postsecondary education unless the fiscal affairs of the affiliated foundation are audited annually by an independent certified public accountant").

Q.13 Will community college foundations receive State-matching payments for contributions received?

A.13 No, only eligible institutions (community college campuses) may receive matching State payments.

Q.14 Can community college foundations accept contributions for the IPT program?

A.14 Yes, however, the foundation must transfer the contribution to the "eligible institution" during the "eligible period." A foundation is then treated as the donor. The amount eligible for State-matching is determined by comparison to the base year contribution of the foundation.

Q.15 If funds are given to the College's Foundation, with appropriate instructions to use these funds for technology, is it considered a gift from the foundation or the original donor?

A.15 When the funds are transferred to the institution by the foundation, the foundation is considered the donor. The foundation must specify that the donation be used for technology, consistent with the original donor's intent.

Q.16 Can a donation be made to more than one eligible institution of the same community college?

A.16 Yes, a donation can be made to more than one eligible institution (community college campus) as long as the donor specifically notes it is for a particular campus and designates the gift for technology.

Q.17 A donor has contributed $150,000 during one of the eligible periods, but has not specifically designated it for technology or for an eligible institution (community college campus), can it be applied by the eligible institution's administration to the technology program?

A.17 Yes, the institution may declare the gift be used specifically for technology. To qualify for matching funds, however, the contribution must be designated for technology by the donor.

Q.18 If an undesignated contribution is received, does the institution have a responsibility to contact the donor and receive a designation that the contribution is for technology under this program?

A.18 Yes, the institution should request the donor specifically designate the gift for technology.

Q.19 What if it's impossible to obtain a designation from the donor (i.e., gift from an estate or charitable contribution campaign)?

A.19 The eligible institution may then designate the gift for the technology program.

Q.20 Can general contributions received by the institution be designated for the IPT program?

A.20 Yes, the institution may specify that such contributions may be designated to benefit the IPT program. For example, funds received from the United Charities campaign may be applied to the IPT program by the eligible institution. General contribution refers to any gift that may be received as a result of an open campaign to encourage support of an institution. The example given was the check off system used in the annual statewide charities campaign, whereby a donor just selects one or more charities that he/she wants their donation sent to, without a particular use of the funds specified.

Q.21 Can an eligible donor make more than one contribution during an eligible period?

A.21 Yes, donors may contribute as often as they choose.

Eligible Contribution Amounts:

Q.22 Must an eligible institution receive the entire $150,000 in the first eligibility period in order to participate in the second eligibility period for matching State payments?

A.22 Yes, the entire $150,000 of eligible contributions must be received by the eligible institution in the first eligible period to qualify to participate in the second eligible period for another $150,000 match.

Q.23 Are base year comparisons necessary in the second eligible period?

A.23 Yes, each donation must be compared to the base year record, and only amounts in excess of the base year donation qualify for the IPT program if they are designated for technology.

Q.24 How much of a gift of $150,000 from a donor whose base year contribution was $100,000 is applicable to this program?

A.24 $50,000 is the eligible contribution for this program since the first $100,000 equals the base year amount. The entire donation must be designated for technology.

Q.25 If a donor whose base year contribution is $100,000 donates another $100,000 specifically designated for technology, is that amount eligible for this program?

A.25 No, the amount although designated for technology, is not in excess of the donor's base year contribution.

Q.26 A donor contributes $160,000 for technology in the first eligible period; he had contributed $100,000 during the base year, $25,000 of which was in fulfillment of a prior year pledge, how much is the eligible contribution amount?

A.26 $85,000 is the eligible contribution that can be claimed as matching because:

($100,000)	Base year payment
25,000	Prior year pledge fulfillment
($ 75,000)	Base year contribution
$ 160,000	Donation during eligibility period
$ 85,000	Amount that can be claimed for State-matching

Q.27 If an institution receives $300,000 from a new donor on June 30, 2003 what amounts can be used as an eligible contribution in the first and second periods?

A.27 The eligible contribution for the first eligible period would be $300,000; however, the State will only match up to the first $150,000 received. There is no eligible contribution

amount, $0, for the second eligibility period, the funds were not received during the specified time frame. There is no provision for carryover of excess donations from one eligibility period to the other.

Q.28 Can a donor who contributed to the foundation in the base year, FY 2002, contribute directly to the institution during the eligible period, and be considered a new donor? For example, Mr. Jones gave $1,000 to the foundation in FY 2002 and nothing directly to the community college in FY 2002; then in FY 2003 Mr. Jones gave $1,000 to the community college for the technology program, would that be considered an eligible contribution?

A.28 Yes, the donor contributing directly to the community college for the first time in FY 2003 would be considered a new donor. In the example, $1,000 would be treated as an eligible contribution for State-matching. Note, if Mr. Jones had given the $1,000 to the foundation in FY 2002, it would not represent an increase over the base year amount; therefore, it would not be an eligible contribution amount (zero).

Deferred Gifts and Non-Cash Contributions:

Q.29 Can personal services be considered a donation eligible for State-matching? For example, a company provides technology equipment and personnel to install, maintain and train staff on usage.

A.29 No, only monetary and equipment donations that can be assessed a value can be considered an eligible contribution for the technology program. Personal services are not eligible for State-matching.

Q.30 Are deferred gifts covered by the legislation?

A.30 There is no reference to deferred gifts in the law. Eligible institutions should have control of the asset during the eligible period for it to be considered as an eligible contribution for this program.

Q.31 How are Non-Cash Contributions valued?

A.31 Non-cash contributions are valued at the amount, which is tax deductible per Internal Revenue Service regulations in force at the time of the donation. Under current provisions of the IRS Code, corporations that do not produce computer equipment may generally take a deduction equal only to their adjusted tax basis in the donated equipment. Institutions would also use that same amount as the value of received equipment. Eligible institutions should keep records of all valuations and the name and addresses of the evaluators and appraisers.

Q.32 Can an institution refuse a donation for the IPT program?

A.32 Yes, if an eligible institution determines that the cost to obtain a valuation of a gift or to maintain a gift is too costly, the donation may be refused, no State-matching funds will

be received. Alternately, the institution may accept the donation and elect not to report it for the purpose of securing matching funds.

Q.33 If a corporate donor reduces the price of data processing equipment as a contribution to the college technology program, can that difference be treated as an eligible contribution? For example, the sale of 100 new computers was quoted to be $75,000, but as a technology program contribution the corporation only requires payment of $25,000, will the $50,000 be eligible for State-matching. The corporate donor had never made a contribution or sales price reduction to the institution before.

A.33 Yes, the amount of $50,000 could be treated as an eligible contribution. Written documentation from the corporate donor should be on file at the institution to support the donation and transaction.

Q.34 In FY 02 a corporation donated $10,000 in cash to a community college, and in FY 2003 it provided the college with a gift of 10 new Pentium computers. The fair market value of the computers is $25,000, can this be treated as an eligible contribution?

A. 34 Yes, the amount of the eligible contribution would be $15,000, the increase amount over the base year donation. Written documentation must be obtained of the fair market value of the donation and the condition, new, of the gift. The value of a non-cash contribution should be verified during the annual audit.

Q.35 If a company is discarding used equipment, can it be considered an eligible contribution?

A.35 Possibly, if an independent appraisal can be made of the equipment and the value exceeds the base year contribution amount of the donor. Equipment received should be in good condition and not require extensive modifications and upgrades to be useable by the institution. Extreme caution should be used by the institution in accepting used equipment that may cost more to upgrade and maintain than the purchase of new equipment. Also, the equipment should have a useful life comparable with other like assets of the company. The written independent appraisal value should be on file and available for audit. The Orion Computer Blue Book may be used to obtain a value for some computers.

Penalties:

Q.36 Will an eligible institution be penalized if it fails to submit the required reports in a timely manner?

A. 36 Yes, reports must be filed in accordance with dates requested by MHEC to be considered for State-matching.

Appendix A

Form B-1
Date Due: Draft Due July 15
Final Due October 31

Maryland Higher Education Commission
Community Colleges' Innovative Partnerships for Technology Program

Donations
FY 20___
Period July 1, 20___ through June 30, 20___

Eligible Institution: _____

Total Amount Received: _____

Received the following donations designated for technology

Donor	Pledge Amount	Cash Received	Equipment[1]	Other	Total
Individuals					
Private Sector					
Foundations					
Other					
Total					

[1] Indicate Appraiser – (A) Donor, (B) College, or (C) Independent Evaluator

We certify that the information presented above is correct:

_____
Chief Development Officer, Signature Typed Name Date

_____
Chief Financial Officer, Signature Typed Name Date

Contact for questions: _____
Name Title Phone Mail

Form B-2
Date Due: Draft Due July 15
Final Due October 31

Maryland Higher Education Commission
Community Colleges' Innovative Partnerships for Technology Program

Foundation Transfer Form
FY 20___
Period July 1, 20___ through June 30, 20___

The following amounts were transferred from the foundation of _____
Community College specifically for advancing technology initiatives of _____

Eligible Institution: _____

Category	Amount	Date
Cash:	$	
Equipment (list):		
Other:		
Total:	$	

$_____ was given to the_____ during the period _____
(Amount) (Eligible Institution) (Base Year)

We certify that the information presented above is correct:

_____
Institution Chief Development Officer, Signature Typed Name Date

_____
Institution Chief Financial Officer, Signature Typed Name Date

_____
Foundation Chief Financial Officer, Signature Typed Name Date

Form B-3
Date Due: Draft Due July 15
Final Due October 31

Maryland Higher Education Commission
Community Colleges' Innovative Partnerships for Technology Program

Projection of Pledges
FY 20___
Period July 1, 20___ through June 30, 20___

Eligible Institution _____ projects monetary and equipment pledges of $_____

We estimated the following:

Number of Donors	Prior Year Pledges Uncollected	Current Year Pledges Uncollected	Equipment	Other	Total

(Use additional sheets if necessary)

We certify that the information presented above is correct:

Chief Development Officer, Signature Typed Name Date

Chief Financial Officer, Signature Typed Name Date

Form B-4
Date Due: Draft Due July 15
Final Due October 31

Maryland Higher Education Commission
Community Colleges' Innovative Partnerships for Technology Program

Technology Program Expenditures
FY 20___
Period July 1, 20___ through June 30, 20___

The following expenditures were made with funds (public, private, local and State) received in support of the technology program at _____ .
Eligible Institution

Equipment	$ _____
Student Support	$ _____
Capital Expenses	$ _____
Other	$ _____
Total	$ _____

Note: A computer generated printout maybe attached to support amounts.

We certify that the information presented above is correct.

_____
Chief Development Officer, Signature Typed Name Date

_____
Chief Financial Officer, Signature Typed Name Date

Form B-5
Date Due: Draft Due July 15
Final Due October 31

Maryland Higher Education Commission
Community Colleges' Innovative Partnerships for Technology Program

Independent Certification Form

Institution:_____

Eligible donations and State-matching funds must be kept in a separately identified account.

	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Donor Funds							
State-Matching Funds							

"Eligible donations and matching State payments have been placed in a separately identified account and its use is restricted solely for technology expenditures as specified by the Maryland Higher Education Commission."

The above information regarding donations and grant receipts agrees with records of (State Institution or Foundation): _____

If it does not, please note any exceptions below:

_____

_____

_____

_____

Independent Auditor Typed Name Date