

**POLICY ON PRIVATE SUPPORT REPORTING
ENGINEERING & TECHNOLOGY INDUSTRY COUNCIL (ETIC)
ADOPTED 1/23/02**

INTRODUCTION:

ETIC and Top Tier programs have received significant legislative support, in part, as a result of the leveraging of private resources. State appropriations represent only a portion of the resources being allocated to improve these programs. In this regard, ETIC should be viewed as an innovative public-private partnership.

Our efforts to document private support for ETIC and Top Tier investments have been inconsistent. This inconsistency has been a function of our desire to move the program forward quickly with minimal bureaucracy.

This policy statement is intended to establish guidelines for private support reporting. The underlying assumption of the policy is that the continued credibility of ETIC rests on our ability to document private support in a manner that stakeholders view as appropriate, objective, and defensible. The recent Internal Audit Report on ETIC identified this area as one for increased attention as we move forward.

POLICY:

The following points summarize ETIC policy on reporting of private support for ETIC and Top Tier investments. The goal in their development and implementation is that an independent auditor could apply them and produce the same values as those reported to the Council.

1. ETIC-supported organizations will record private support based on the organizational unit receiving ETIC support rather than the specific program or activity being supported. This approach is intended to eliminate difficult judgment calls regarding whether such private support relates to any specific ETIC investment. In most cases, the organization being supported is a college or department and excludes those parts of an institution that do not relate to engineering, computer science, or technology programs. Institutions receiving ETIC support through RFP processes, not included in the set of ETIC-supported organizations, will record private support that relates directly to specific ETIC investments. The intent of the policy is to have clear organizational definitions that exist within institutional accounting systems.
2. ETIC-supported organizations will record private support that is included within the general accounting category of restricted private gifts, grants and contracts revenue. Support from foundations, industry, and individuals is included. General institutional policies regarding the recording of revenue are applicable. Within the higher education accounting community, the concept of private gifts, grants and contracts is fairly clear and well understood.
3. Private support that flows through institutional-affiliated foundations, including restricted fund endowment income, is included.

4. Private in-kind support such as time and effort dedicated to ETIC management activities and general support of ETIC-supported organizations is excluded.
5. Gifts, including equipment, equipment discounts, real estate, intellectual property, and other assets are included at rates consistent with general institutional policies. Equipment gift documentation should include appropriate information in terms of donor, type of equipment, location, department and value.
6. Private support for activities such as instruction, research, service, and scholarships is included.
7. Support provided by industry, individuals or other private organizations to offset tuition and fees for students enrolled in ETIC-supported organizations is included provided that ETIC-supported organizations are capable of providing timely and accurate information validating such support.
8. Costs incurred by industry, individuals or other private organizations in support of ETIC-supported organizations may be included under private support provided that ETIC-supported organizations are capable of providing timely and accurate information validating such support. Examples of such costs include student and faculty internships, industry matching support on sponsored projects, and specific project costs in support of ETIC-supported organizations.

IMPLEMENTATION:

Based on Council approval, institutions will begin reporting on private support in a manner consistent with this policy as part of the regular scorecard process. This reporting process should reflect private support beginning July 1, 2001.