

# Frequently Asked Questions October, 2015

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## PROGRAM INTENT

Leveraged equipment program funds are intended to provide resources to acquire state-of-the-art equipment on which to train students in areas with high employer need. The program is intended to help colleges and universities build long term partnerships with communities and employers in high need sectors.

**According to the legislation in 2013, "equipment" means equipment for instructional purposes for programs that the board determines would produce graduates with skills for which there is a high employer need within the state. An equipment acquisition may be made under this appropriation only if matched by cash or in-kind contributions from non-state sources.**

## FUNDING GUIDELINES

### 1. How much in state funding will each college and university receive?

Attached is a listing of leveraged equipment allocation for each college and university in FY2016.

### 2. How was the distribution determined?

The \$7.278 million appropriation is distributed in FY2016 based on each institution's five year average of general fund/ARRA instructional equipment spending. No institution will receive less than \$50,000, and no institution will receive more than \$500,000. The entire \$7.278 million will be distributed to colleges and universities; no funds will be retained in the system office.

## MATCH GUIDELINES

### 1. What is the match requirement?

State funds must be matched dollar-for-dollar by cash or in-kind contributions from non-state sources.

### 2. How is match defined?

Match is defined as any cash or in-kind contribution from non-state sources. Match must be related to the program equipment purchased with state funds.

*a. Examples of eligibility for cash match funds include:*

- Grant funds from non-profit, private or federal sources awarded to the college or university (Note: Carl D. Perkins funds may **not** be counted as matching funds for this program)
- Cash donations made directly to the college or university or through its foundation

b. *In-kind contributions are non-cash gifts that have a calculable cash value.*

*Examples of eligible in-kind match include:*

- The value of donated instructional equipment
- The value of donated materials, software, curriculum products and supplies for the equipment
- The value of donated training provided by industry experts on the new equipment to MnSCU faculty, staff or students
- The value of donated labor and materials required to install the equipment
- The value of vendor discounts on equipment purchases. Vendor discounts are defined as any reduction in price below the lowest bid price received after the procurement process.

c. The following sources may **not** be counted as match:

- Cash from state sources, including state appropriated funds
- Student paid tuition or fees
- Carl D. Perkins federal funds
- Physical enhancements or updates to a facility, such as the construction or modification of a science lab

### **3. Can the match be a pledge of funds to be received over several years?**

The match must be received, not just pledged, before state funds can be spent.

### **4. Can I exceed the match requirement?**

Yes, colleges and universities are encouraged to exceed the required match if possible. In the past, colleges and universities have reported match two to three times greater than the required dollar for dollar match, and this has helped to generate legislative support for this program.

### **5. Are there deadlines for requesting leveraged equipment appropriations?**

- All leveraged equipment appropriation requests should be made on or before the 5<sup>th</sup> of each month.
- Your CFO should sign the completed form and the signed pdf should be submitted to Mary Rothchild ([mary.rothchild@so.mnscu.edu](mailto:mary.rothchild@so.mnscu.edu)) and Sandy ([sandy.loney@so.mnscu.edu](mailto:sandy.loney@so.mnscu.edu)) for review and approval. In the event there are questions regarding allowed use of funds or match eligibility, Mary will contact your CFO.

- You will be notified of the approved appropriation transfer from Kathy Hanon; she will work with Campus Assistance to ensure all approved requests are made in SWIFT on or before the **15<sup>th</sup> of each month**.
- Transfer requests do not need to be approved by MMB this year.

## **6. What if we can't find enough in-kind or cash match?**

Matching funds are a requirement of the program. Each college and university must secure matching funds and encumber state leveraged equipment funds by the end of the fiscal year.

## **EQUIPMENT GUIDELINES**

### **1. What are eligible equipment purchases?**

Equipment purchases shall be for instructional purposes for programs that produce graduates with skills for which there is high employer need.

### **2. How is high employer need defined?**

An example and current list of high employer job categories as defined by the MN Department of Employment and Economic Development (DEED) occupational demand data, which can be found at:

<http://www.iseek.org/jobs/hotCareers?sort=rq&ord=2&page=0>

### **3. Can appropriated funds be used to cover the shipping costs of eligible program equipment purchased with state dollars?**

Yes.

### **4. Can state dollars be used to purchase used equipment?**

The intent of the program is to provide state-of-the-art equipment for student learning. While purchase of used equipment is not prohibited, colleges and universities should be certain that the used equipment is considered state-of-the-art, and is widely used or is expected to be widely used in the work place of a high need area.

### **5. Can leveraged equipment funds be used to purchase computers? If so, are there any limits on this?**

Computers that are used by students in high employer demand programs may be purchased. Examples include computers for diagnostic technologies or computer aided design. Equipment for smart classrooms or computers for general college-wide use would not be eligible.

**6. Can leveraged funds be used to purchase a bus to transport students in a program?**

No, leveraged equipment funds may not be used to purchase transportation for a program. The intent of the program is to purchase instructional equipment for direct student learning.

**7. Can instructional videos be purchased with leveraged funds?**

Instructional videos may be purchased only if the videos can be directly related to current state-of-the-art practices and procedures that otherwise would be difficult to present in a classroom format.

**8. Can funds be used for equipment that supports lower division coursework in two-year colleges that offer specific baccalaureate transfer programs to four year institutions?**

Leveraged equipment may be used to purchase instructional equipment in these program areas only if those baccalaureate programs are defined as high employment need by MN Department of Employment and Economic Development.

**ACCOUNTING GUIDELINES**

**1. Is there a standard way colleges and universities should account for these funds?**

Yes, each college and university must establish a separate cost center in ISRS for each academic program participating in the Leveraged Equipment program. The cost center should be assigned the same program code as the academic program's operations cost center.

**2. How should match be accounted for in ISRS?**

Leverage equipment match entries should be booked using normal entry methods for donations and in-kind contributions. Accounting guidelines will be sent to each college and university business office in a separate email.

Due to reporting needs, some match will not be booked to LEV appropriation. Federal grants for example. For this reason it is recommended to maintain a spreadsheet log of applicable matching entries,

**3. Is a separate cost center needed for FY16 funding?**

Yes. In order to maintain the separation between the FY 2015 LEV program funds and those for FY 2016/17, we recommended creating a new general ledger for the 2016/17 biennium activity. This will require using new cost center numbers.

**4. How are FY2015 unspent and reallocated funds accounted for?**

Additional funds received from FY2015 will be accounted for using FY2015 general ledger cost centers for leveraged equipment funds.

**5. How should donations collected by a foundation be accounted for in ISRS?**

Cash donations collected by a foundation should be receipted as private grant revenue.

*If you have additional questions, contact Mary Rothchild, Senior System Director, Workforce, at [mary.rothchild@so.mnscu.edu](mailto:mary.rothchild@so.mnscu.edu) or 651.201.1672.*

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