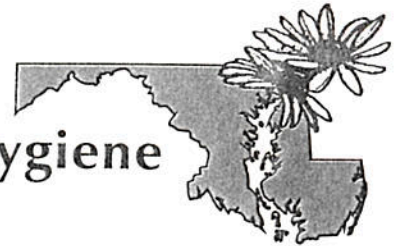


# State of Maryland Department of Health and Mental Hygiene

Parris N. Glendening, Governor - Martin P. Wasserman, M.D., J.D., Secretary



DHMH POLICY 02.02.08

## TITLE: POLICY FOR HANDLING GIFTS AND GRANTS

### I. EXECUTIVE SUMMARY

This policy applies to all representatives, employees and units of the Department of Health and Mental Hygiene (DHMH), regardless of the status of the employee or the size of the unit. This policy does not apply to Federal grants; gifts or grants from other State government entities; remuneration received as a result of a contract for a product or service; contributions from local governments of Maryland; or officers or units of the Executive branch of State government vested with independent constitutional or statutory authority to assent to the acceptance of gifts or grants.

Gifts or grants of more than \$50,000; grants or gifts valued at \$50,000 or less that entail an estimated initial or annual cost to the State of \$5,000 or more; or, regardless of value, any gifts or grants of an aircraft, vehicle, vessel, or real property, must be reviewed and receive approval for acceptance from the Secretary, Department of Budget and Management (DBM), prior to the gifts/grants being accepted and/or used by any employee, representative or unit of DHMH.

All gifts or grants that are not subject to review and acceptance approval from the Secretary, DBM, must be reviewed and receive approval for acceptance from the Secretary, DHMH, prior to the acceptance and/or use of the gifts/grants, with some exceptions. A gift or grant of material that is expendable (i.e. ice cream, cake, candy, items to celebrate a specific, imminent event) and that does not need Secretary, DBM approval, may receive approval after the fact from the Secretary, DHMH. A gift or grant that is approved for acceptance and received by the Department must be used in accordance with the terms of the gift/grant.

Within DHMH, the Director, Fiscal Services Administration (FSA), or designee, is the coordinator of the program and is the liaison between the employees, the various units, the Secretary of DHMH and the Secretary of DBM. The Director, FSA, or designee is given certain specific responsibilities to assure the smooth operation of the gifts/grants acceptance approval program. No other employee or unit of DHMH is to contact the Secretary of Budget and Management directly, with regard to gifts or grants.

The methodology for the acceptance of gifts or grants is provided. The methods of acknowledging and returning gifts or grants of cash, securities, stocks, bonds, securities, or other cash equivalents that do not receive approval for acceptance is also provided.

## II. BACKGROUND

Individual citizens acting on their own and citizens acting together either informally or formally through organizations, have generously given gifts or grants to the State of Maryland for the use of all the citizens of the State or for the benefit of particular individuals, institutions, etc. By law, the Governor of the State of Maryland, with certain exceptions, has to assent to the acceptance of the gifts or grants to State agencies before the gifts or grants can be used or before any money derived from the gifts or grants can be spent. The Governor has delegated most of his authority to assent to accept gifts or grants to the Secretary of Budget and Management. The Secretary of Budget and Management has delegated part of his authority to the Secretary of Health and Mental Hygiene and other Secretaries.

Federal grants and remuneration received as a result of a contract for a product or service will not require formal acceptance and will continue to be processed through the budget and budget amendment appropriation process.

This policy recognizes the various levels of delegated authority and is intended to hasten the process while at the same time assure that the gift or grant will be used in the manner that the donor desired and that it can be of economic benefit without burdensome obligation to the State. It is the policy of the Department of Health and Mental Hygiene to ensure that all its units comply with Section 2-201 (Gifts) of the State Finance and Procurement Article.

DHMH Policy 02.02.08 supersedes and replaces DHMH 7342, Policy for Handling Grants/Gifts of Money and Grants/Gifts of Material or Equipment, issued October 31, 1991.

## III. POLICY STATEMENTS

### A. APPLICABLE

1. This policy applies to all representatives and employees of the Department of Health and Mental Hygiene, including every secretariat, administration, office, division, unit, board, commission, council, facility, institute, center, local health department, etc. of DHMH and their employees regardless of employment status.
2. The policy is not applicable to Federal grants; to gifts or grants from other State government entities; to remuneration received as a result of a contract for a product or service; to contributions from local governments of Maryland; or, to officers or units of the Executive Branch of State government vested with independent constitutional or statutory authority to assent to the acceptance of a gifts or grants.

- B. DEFINITIONS** - In this directive, the following words have the meanings indicated.
1. **"Gift"** includes an inter vivos gift, inter vivos endowment, bequest, devise, legacy, or testamentary endowment of any interest in real or personal property. (Article 1, Section 22, Annotated Code of Maryland).
  2. **"Assent to acceptance"**- Except as otherwise expressly provided by law, an officer or unit of the State government may not spend any money that derives from a gift until the Governor or designee assents to the acceptance of the gift.
  3. **"Use"; "spending (unappropriated) money"** - If the Governor assents to the acceptance of a gift by an officer or unit, the officer or unit may use the gift in accordance with its terms. If the gift is money or generates money, the officer or unit may not spend the money until it is appropriated as provided in Title 7, State Finance and Procurement Article, Annotated Code of Maryland.
  4. **"Aircraft"** means any motorized device used or designed for navigation or flight in the air.
  5. **"Federal grant"** means, for purposes of this regulation, funds or monies given by the Federal Government or its agencies to the State or any of its officials or units for a specific purpose.
  6. **"Grant"** means the bestowing of power, money, privilege, property, or other item of value that may be conditional, although without other consideration, by another party upon the State.
  7. **"Real Property"** includes land, and any interest or estate therein, or any right or easement affecting the same, including an oil or gas leasehold interest. It includes all buildings or other things erected upon or affixed to the land, and permanent fixtures, such as heavy machinery, that are firmly fixed and are not easily movable.
  8. **"Vehicle"** means any motorized device in or by which a person or property may be transported or towed on a roadway, and includes farm and construction vehicles.
  9. **"Vessel"** means every description of watercraft, other than a seaplane, that may be used for transportation on water or ice. Ice boats are regarded as watercraft. The term includes the vessel's motor, spars, sails, and accessories.

C. GENERAL

1. The following gifts or grants must be reviewed and receive acceptance/approval from the Secretary, DBM through the Secretary, DHMH, prior to the acceptance and/or use of the gifts or grants by any representative or employee of DHMH, regardless of employment status, as follows (Section III, E1):

- a. Any gifts or grants of cash, checks, money orders, securities, stocks, bonds or other cash equivalent valued at more than \$50,000 and received from one person, one group of persons, one organization, or one group of organizations must receive approval for acceptance/use from the Secretary of Budget and Management before the gift or grant may be accepted or used (EXHIBIT 4)(Section III, C3, C4, and C5).
- b. Any gifts or grants valued at \$50,000 or less that entails an estimated initial or annual cost to the State of \$5,000 or more must receive acceptance approval from the Secretary of Budget and Management before the gifts or grants can be received.
- c. Regardless of value, any gifts/grants of an aircraft, vehicle, vessel, or real property must receive acceptance approval from the Secretary of Budget and Management before the item may be received.

2. The following gifts or grants must be reviewed and receive acceptance approval from the Secretary of Health and Mental Hygiene as follows (Section III, C3 and Section III, E2 for Acceptance Of Gifts/grants Methodology):

- a. Any gifts or grants of cash, checks, money orders, securities, stocks, bonds, or other cash equivalent that is valued at \$50,000.00 or less and received from one person, one group of persons, one organization or one group of organizations must receive approval for acceptance and use from the Secretary, Department of Health and Mental Hygiene before the money or assets may be accepted or used (Section III, C3, C4, C5, and E2.a (2)).
  - (1) Any gifts or grants of cash or cash equivalent (i.e., checks, money orders) shall be accounted for to the Comptroller and promptly paid into the Treasury of the State of Maryland.

- (2) Any gifts or grants of securities, stocks, or bonds shall be recorded and a receipt given to the donor. The securities, stocks, and bonds shall be placed in a locked, secured place.
  - (3) Any gifts or grants of cash or cash equivalent not approved for acceptance will be returned to the donor by use of the disbursement transmittal procedure. A letter of explanation to the donor will be written by personnel of the unit which was to receive the funds.
  - (4) Any gifts or grants of securities, stocks, or bonds not approved for acceptance will be returned to the donor by a means which provides the unit with a receipt and which is accompanied by a letter of explanation.
- b. Any gifts or grants of a non-expendable item (i.e., clothing, televisions, games) which is exempt from the requirement that it receive approval from the Secretary of Budget and Management must receive approval, for use, from the Secretary of Health and Mental Hygiene, before the item may be used.
  - c. Any gift or grant of an expendable item (i.e., ice-cream, cake, candy, items to celebrate a specific soon to be had birthday or holiday) that is exempt from the requirement that it receive approval from the Secretary of Budget and Management, must receive approval, for use, from the Secretary of Health and Mental Hygiene, however, such approval may be received retroactively from the Secretary, DHMH..
3. The Director, Fiscal Services Administration, or designee, shall be the coordinator for the handling of any gifts or grants of money, material and equipment, and the liaison between the various units of the Department, the Secretary of DHMH, and the Secretary of DBM.
  4. Personnel of the Department of Health and Mental Hygiene who accept gifts or grants, shall establish and maintain a file or series of files pertaining to the gifts or grants which will include the request for permission to accept the gifts or grants, and their acceptance.

5. All records (files) pertaining to the gifts or grants shall be kept for a minimum of three full fiscal years before they are destroyed. Destruction of records shall be in accordance with Section 10-637 through Section 10-639 of the State Government Article, Annotated Code of Maryland, as amended from time to time.

6. All units which accept gifts or grants are required to provide written acknowledgments to the donors (EXHIBIT 3).

**D. RESPONSIBILITIES OF THE DIRECTOR, FSA**

1. The Director, Fiscal Services Administration, or designee, shall be the coordinator of this program and shall be responsible for:

- a. disseminating information regarding the program;
- b. training personnel in methodology for carrying out the program;
- c. checking all lists for accuracy and desirability of purpose;
- d. discussing with the Secretary or designee, any gifts which may cause future budget expenditures or which may be controversial;
- e. notifying appropriate personnel of the approval or disapproval of a request to accept a gift or grant;
- f. maintaining a file or series of files pertaining to gifts or grants in a manner that provides an audit trail, to facilitate the tracing of gifts or grants;
- g. providing guidance to the personnel of all units, upon request, regarding implementation of all facets of this policy;

2. The Director, FSA, or designee, shall maintain contact with the Secretary, DBM, or designee to expedite the flow of requests and approval/disapproval with DBM.

**E. ACCEPTANCE OF GIFT AND GRANT METHODOLOGY**

1. For any gift or grant that requires acceptance from both the Secretary, DBM, and Secretary, DHMH (See Section III, C1), each request for approval to use and/or accept the gift/grant:

- a. Must be sent to the Secretary, DBM, through the Secretary, DHMH. The proper document flow is from the official receiver through the appropriate Program Director or Facility Superintendent to the Director, FSA or designee, to the Secretary, DHMH, or designee. Under no circumstances will any request go directly to the Secretary, DBM, from any employee or receiving unit of DHMH (Section III, A1).
- b. Must be immediately reported upon receipt, in triplicate, on DBM-OBA-1-88 (EXHIBIT 2).
- c. Must be submitted on a separate DBM-OBA-1-88 for each gift or grant that is being offered (a single gift consisting of many parts from one donor or a group is considered one gift).

2. For any gift or grant that requires acceptance from only the Secretary, DHMH. (See Section III, C2), requests for approval to use and/or accept the gift or grant:

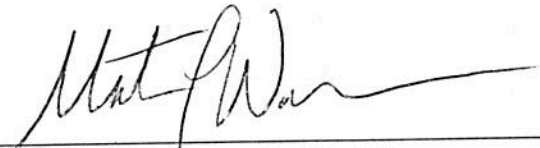
- a. Shall be submitted in the form and manner as prescribed by the Director, FSA (EXHIBIT 1).
- b. Shall be submitted, collectively, by the fifteenth (15th) of each month for the previous month. If volume dictates, requests may be submitted more frequently.

3. The Director of the Fiscal Services Administration or designee shall notify the appropriate employee and/or unit of the action taken (approval, disapproval) regarding the request to accept or use a gift or grant.

4. Within 15 working days of the end of a fiscal year, a unit must submit to the Director, FSA, a cumulative list by category (i.e., food, clothing, etc.) of all gifts or grants valued at \$1000 or more that did not require DBM approval (EXHIBIT 5).

IV REFERENCES

- ◆ State Finance and Procurement Article, Section 2-201 and Title 7, Annotated Code of Maryland.
- ◆ State Government Article, Section 10-637 through 10-639, Annotated Code of Maryland.
- ◆ DBM Memorandum, October 17, 1996 from Fred Puddester, Secretary, Subject: Gifts and Grants Acceptance Policy- Delegation of Authority to Agency Head.
- ◆ DBM Regulation 02.01.08, dated November 1, 1996; Subject: Gifts and Grants - Acceptance Policies and Procedures, Department of Budget and Management.

Approved:   
\_\_\_\_\_  
Martin P. Wasserman, M.D., J.D.  
Secretary

3/23/99  
Date



**DHMH POLICY 02.02.08 - EXHIBIT 1**

**APPROVAL FOR ACCEPTANCE OF GIFTS OR GRANTS  
BY THE SECRETARY, DHMH**

When requesting approval of the Secretary, DHMH, for acceptance of gifts or grants, these instructions are to be followed :

<b>1.</b>	Submit the original and a copy of the cover letter (See sample, EXHIBIT 1 - Attachment A) to the Director, Fiscal Services Administration, requesting permission to accept the gifts or grants.
<b>2.</b>	Submit two (2) copies of the applicable listing (EXHIBIT 1 - Attachments B-G) detailing the gifts comprising the value noted in cover letter.
<b>3.</b>	Attach an adding machine tape to each set of supporting documents.

Any questions should be referred to the Director of the Fiscal Services Administration.

DHMH POLICY 02.02.08 - EXHIBIT 1 - ATTACHMENT A

Sample Memorandum  
(Use Facility/Units Letterhead)

PURPOSE:

(Date)

Director (or Designee)  
Fiscal Services Administration  
Department of Health and Mental Hygiene  
201 W. Preston Street  
Baltimore, Maryland 21201

Dear Director:

\_\_\_\_\_ (Facility/Unit Name) \_\_\_\_\_ received donations totaling \$ \_\_\_\_\_ during the month of \_\_\_\_\_, \_\_\_\_\_, as detailed on the attached sheets. (Insert the following statement only if appropriate: **Enclosed are all relevant documents which outline any extraordinary terms, conditions and restrictions imposed upon the gift/grant by the donor.**) Please request the Secretary, Department of Health and Mental Hygiene, approval for acceptance and notify us accordingly.

Thank you for your assistance in this manner.

Sincerely,

Name: \_\_\_\_\_

Title: Facility/Unit Director

Approved: Secretary, DHMH Date \_\_\_\_\_









**DHMH POLICY 02.02.08 - EXHIBIT 1 - ATTACHMENT F**

**DONATION REPORT FOR MONTH OF:** \_\_\_\_\_

**FACILITY:** \_\_\_\_\_

**TYPE OF DONATION:**                      **EQUIPMENT**

DONOR	ITEM	NEW	USED	VALUE
<b>MORE THAN ONE PAGE</b>			<b>SUBTOTAL</b>	
			<b>TOTAL</b>	





**DBM GIFT/GRANT ACCEPTANCE FORM**

**A. AGENCY INFORMATION**

1. Agency requesting acceptance of gift: \_\_\_\_\_

2. Agency point-of-contact: \_\_\_\_\_

(Name)

(Phone)

(Title)

**B. DESCRIPTION OF GIFT/GRANT**

1. Type of Gift/Grant:

\_\_\_\_\_ Aircraft      \_\_\_\_\_ Personal Property      \_\_\_\_\_ Vessel

\_\_\_\_\_ Funds      \_\_\_\_\_ Real Property      \_\_\_\_\_ Other

\_\_\_\_\_ Vehicle      \_\_\_\_\_ Info. Proc. Equip.

2. To what object of expenditure will this gift/grant be applied? \_\_\_\_\_

3. In the space below, provide any other appropriate information which describes the nature and condition of the gift/grant such as: brand name, reference numbers, serial and model numbers, condition, dimensions, color, legal description of real property, etc. Attach or include any relevant documents from the donor/grantor.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**C. DONOR/GRANTOR**

1. Name: \_\_\_\_\_

2. Address: \_\_\_\_\_

3. Telephone: (\_\_\_\_) \_\_\_\_\_ (\_\_\_\_) \_\_\_\_\_  
(Work) (Home)

**D. VALUE OF GIFT**

1. Estimated/actual value of gift/grant (dollar amount): \$ \_\_\_\_\_

2. Method of determining value (appraisal, purchase price, etc.):  
\_\_\_\_\_

3. Person/entity determining value: \_\_\_\_\_ (\_\_\_\_) \_\_\_\_\_  
Name Phone

DBM GIFT/GRANT ACCEPTANCE FORM (Continued)

E. COSTS

Estimated costs to the State for accepting and maintaining gift/grant:

	<u>Nature of Cost</u>	<u>Amount</u>
1.	Initial cost:	
2.	Annual cost:	

F. TERMS AND CONDITIONS

1. In the space below, state any terms, conditions, or other restrictions governing the acceptance, use, or disposition of the gift/grant imposed by the donee/grantor. Attach or include any relevant documents from the donor/grantor concerning terms, conditions, or restrictions upon the gift/grant.

---

---

---

2. If the conditions for use are not specified by the donor/grantor, explain the intended use of the gift/grant.

---

---

---

3. Explain the benefits to be derived in accepting the gift/grant:

---

---

---

G. REQUIRED APPROVAL SIGNATURES

Does this gift/grant require DBM approval? \_\_\_\_\_ Yes \_\_\_\_\_ No

\_\_\_\_\_  
Agency Head Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Secretary, DBM, Signature  
On Behalf of the Governor

\_\_\_\_\_  
Date

DHMH POLICY 02.02.08 - EXHIBIT 3

Sample Thank You Memorandum  
(Use Facility/Units Letterhead)

(Date)

Donor's Name  
Address  
City, State, Zip Code

Dear \_\_\_\_\_ :

The (Facility/Unit Name) would like to thank you for your gift. The gift of \_\_\_\_\_ will be used in accordance with the terms stated in your letter. The Department values your gift and your continuing support.

Sincerely,

Name: (Facility/Unit Director)

Title: \_\_\_\_\_



**DHMH POLICY 02.02.08 - EXHIBIT 4**

**SUBMISSIONS FOR A GIFT OR GRANT REQUIRING  
ACCEPTANCE/APPROVAL OF BOTH THE SECRETARY, DBM  
AND THE SECRETARY , DHMH**

When requesting approval of both the Secretaries of DBM and DHMH for acceptance of a grant or gift, please follow the instructions below:

1.	Submit the original and a copy of the cover letter ( See EXHIBIT 4 -Attachment A) to the Director, Fiscal Services Administration, requesting permission to accept the gift or grant.
2.	Submit the original and a copy of form DBM-OBA-1-88 (EXHIBIT 2).

Any questions should be referred to the Director, FSA.

DHMH POLICY 02.02.08 -EXHIBIT 4 - ATTACHMENT A

Sample Memorandum  
(Use Facility/Units Letterhead)

(Date)

Director, Fiscal Services Administration  
Department of Health and Mental Hygiene  
201 W. Preston Street - Room 514  
Baltimore, Maryland 21201

Dear Director:

Facility/Unit\_\_ received a gift valued at \$ \_\_\_\_\_ as detailed on the attached DBM-OBA-1-88.  
Please request the Secretary, Department of Health and Mental Hygiene and the Secretary, Department  
of Budget and Management, acceptance approval and notify us accordingly.

Thank you for your assistance in this manner.

Sincerely,

Name: (Facility/Unit Director)

Title: \_\_\_\_\_

**DHMH POLICY 02.02.08 - EXHIBIT 5**

**REPORTING OF GIFTS AND GRANTS OVER \$1000 VALUE DURING  
A FISCAL YEAR, THAT DID NOT REQUIRE DBM APPROVAL**

When reporting to the Director, Fiscal Services Administration, Department of Health and Mental Hygiene, gifts or grants over \$1000 value during a fiscal year that did not require the approval of the Secretary, Department of Budget and Management, please follow the instructions below:

1.	Submit cover letter (EXHIBIT 5-Attachment A) to the Director, FSA.
2.	Submit an original and a copy of DBM-OBA-1-88 form.
3.	Submit an original and a copy of the applicable listings (EXHIBIT 1-Attachments B through G) detailing the gifts or grants of \$1000 or more, included in the total reported on DBM-OBA-1-88 form

Any questions should be referred to the Director of the Fiscal Services Administration.

DHMH POLICY 02.02.08 - EXHIBIT 5 - ATTACHMENT A

Sample Memorandum  
(Use Facility/Units Letterhead)

PURPOSE:

DATE:

Director, Fiscal Services Administration,  
Department of Health and Mental Hygiene  
201 W. Preston Street  
Baltimore, Maryland 21201

Dear Director:

Facility/Unit received donations in amounts of \$1000 or more during Fiscal Year \_\_\_\_\_, as detailed on the attached sheets. These donations did not require acceptance approval of the Secretary, Department of Budget and Management. However, in accordance with DBM Procedure 02.01.08, dated November 1, 1996, please forward this information to the Secretary, Department of Budget and Management.

Thank you for your assistance in this manner.

Sincerely,

(Facility/Unit Director Name)

Title: \_\_\_\_\_