RHODE ISLAND
BOARD OF EDUCATION

State of Rhode Island and Providence Plantations
Council on Postsecondary Education
OFFICE OF THE POSTSECONDARY COMMISSIONER
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Enclosure 8f.
April 27, 2016

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TO: Members of the Council on Postsecondary Education

FROM: Jim Purcell, Ed.D, Commissioner for Postsecondary Education

DATE: April 20, 2016

RE: **Approval of the application for a Federal Identification Number for the Division of Higher Education Authority**

As the Council is aware, Article 7 of the FY2016 Budget Appropriation Act combined the Office of the Postsecondary Commissioner with the former Rhode Island Higher Education Assistance Authority (RIHEAA). Also in this article was the reassignment of the 529 College Savings Plan (the CollegeBound*fund*) to the Office of the General Treasurer.

The CollegeBound*fund* provides revenues for the support of fund administration and for the state's grant program. In the past, the CollegeBoundfund wired the money directly into the DHEA checking accounts. Upon this transfer, however, the Fund now wires monies into the accounts of the General Treasurer whereupon the Treasurer's Office is required to transfer those funds to DHEA for the payment of the State Grant Program.

However, the Department of Administration has indicated to the Division that it is not possible to transfer funds from the Treasurer's account into a bank account that is held outside but that is under the State's federal entity identification number (FEIN). After multiple conversations with state Accounts and Controls management, we have been advised to request an FEIN for the Division only. There is a precedent for separate FEINs and, in fact, the colleges and the University have their own FEINs as they also hold their own funds.

Upon receipt of the FEIN for the Division of Higher Education Authority, all of the Division's bank accounts and investment accounts will be notified of the change. Once this administrative change is made, the State will be able to list the Division as a "supplier" and transfer funds directly into these accounts.

Therefore I recommend:

THAT the Council of the Postsecondary Commissioner applies for and obtains a separate Federal Entity Identification Number (FEIN) for the Division of Higher Education Authority and that all of its bank accounts and any investment accounts obtain that FEIN so that the State may begin to transfer funds as required.