



# **GRANTS MANAGEMENT HANDBOOK – POST AWARD**

Business Office – CHEC  
Nicole Lohse, Manager, Grant Accounting  
(972) 758-3864  
Xuexin Jin, Grants Accountant  
(972) 548-6762

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## INTRODUCTION

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Congratulations! You have applied for a grant, and it has been funded. All the hard work and time you spent in preparing the grant application has paid off. You are about to begin an exciting and rewarding process. It is time to bring the project to life!

The *Grants Management Handbook – Post Award* does not cover pre-award procedures. All proposal/applications must be approved by the Leadership Team before submission to the agency. At least a week before submitting a grant proposal/application, the Grant Management Office should send the proposal, budget and budget justification to the Grant Accountant for review of any budget errors or omissions. The Grant Management Office needs to send a copy of the final grant proposal/application to the Grant Accountant after submission.

Although implementing a grant-funded project is exciting, it can seem overwhelming. You may have many questions such as:

How do I set-up the project budget? What are budget categories?

What do I need to do to hire project personnel?

How do I purchase equipment or services?

What records and information do I need to compile and save?

What is cost sharing or matching and how do I document?

How can I revise the project budget?

How do I prepare for an audit?

If you are a new Principal Investigator (PI) or Project Director (PD), these and other questions probably concern you. “What do I do first? Who can I call for help?” In response to these questions this *Grants Management Handbook – Post Award* has been prepared to help you successfully implement and manage your project.

The activities you undertake in the first few weeks of your project are crucial to its success. These activities will, in large measure, set the tone of your project and determine whether the project will be a success. Delays in setting up a budget, hiring personnel, securing computers and supplies at the beginning can cause problems throughout the grant. Delays are considered a performance issue by agencies. Are you on target to meet your goals? Will you expend all the funds awarded to you? Will your grant pass an audit? The likelihood of success is greatest when your project gets off to a good start.

As the Principal Investigator or Project Director, you will have to simultaneously learn College and District policies and procedures needed to accomplish project activities and learn funding source regulations and policies.

Combining your grant proposal, the award letter, terms of your grant and the *Grants Management Handbook – Post Award* provides you with the information you need to implement and manage your project. You also can find Collin College procedures and forms on CougarWeb. College and District procedures must also be followed while administering the grant. You must be familiar with all these documents. Training for you and your staff is available for business office, procurement and human resource procedures. Your grant proposal includes a list of objectives and a timetable for implementation. The terms of the grant are the specific laws and/or rules which you must follow in the implementation and management of your project.

In the case of multi-year grants, it is also important to review the continuing award documents carefully each year for new terms and conditions or requirements that may not have been included in the original award documents. It is also not uncommon for program officers to send additional information only to the PI concerning new requirements or changes. The PI should review these and provide them to the Grant Accountant to allow continuity of process.

If a Project Director leaves the project before completion, supervisors of the terminating Project Director must agree to be responsible to the Grant Management Office for grant paperwork and activities until a new Project Director is hired. Funding sources are increasingly intolerant of failure to accomplish objectives due to vacancies or delays in hiring.

Collin County Community College will comply fully with all applicable Federal, State, and Local laws, regulations and policies and maintain internal control of procedures and operations to provide reasonable assurance of compliance with these requirements. Uniform Grant Guidance (UGG) (2 CFR 200) went into effect as of December 26, 2014. Collin College has elected to manage all federal awards and awards with incremental funding received before December 25, 2014, per the original CFR regulations. Collin College employees will follow applicable conflicts of interest requirements for Federal, State and Local Governments. Refer to the specifics of the award agreement and the guidelines associated with that award. Detailed manuals with the specific guidelines may be found online. The websites are listed on the Grants Management Tools, Resources and Websites section of this *Grants Management Handbook – Post Award*.

College policy mandates that only the President or their designee is authorized to sign, on behalf of the District, all agreements, contracts, grants and other documents. College employees must be specifically authorized by the President, in writing, to obligate the college to any contractual or financial agreement. A copy of that delegation should be on file in the Business Office.

Please take time to familiarize yourself with these documents and applicable regulations. Knowing what you can and cannot do, and how you must do it will save you many headaches in the future and protects both you and the college. Congratulations and good luck!

### Types of Grants

A grant (or cooperative agreement) is used when the principal purpose of the transaction is to accomplish a public purpose of support or incentive authorized by Federal Statute. Fixed Amount awards definition per UGG is “a type of grant agreement under which the Federal awarding agency or pass-through entity provides a specific level of support without regard to actual costs incurred under the Federal award”. The College can receive grants directly from a federal agency, such as the U.S. Department of Labor or the U.S. Department of Education. This is known as a direct grant. When the federal grant is administered through the State, it is known as a state-administered grant. Subawards are passed-through a non-Federal entity to carry out part of a Federal program.

### **Direct Federal Grants**

When the College receives a direct grant, the College has a direct relationship with the granting agency. Funds do not flow through another entity as is the case with state-administered grants (see below) or passed-through another entity. If funds are improperly expended under a direct grant program, the federal granting agency may request a recovery of funds directly from the College. The federal granting agency is responsible for overseeing direct grants and ensuring that the grant is executed according to all requirements, including ensuring that funds are spent appropriately.

### **State-Administered Grants and Pass-through from a non-Federal entity**

In a state-administered and pass-through (subaward) grant, the applicable state agency or non-Federal entity is responsible for administering all aspects of the program, from approving the application for funds (either by formula or through a competitive process, depending on the program), disbursing funds, and ensuring that the College complies with the programmatic and fiscal requirements of the program.

If funds are improperly expended under a state-administered or non-Federal entity program, the College will not be required to pay back federal funds to the federal government. However, the applicable state agency or non-Federal entity may then impose sanctions on the College as a subgrantee for the failure of the College to properly expend funds.

Regardless of whether the College receives a direct, state-administered grant or non-Federal entity subaward, there are generally two types of grants: formula grants and discretionary grants.

### **Federal Grant Eligibility**

#### **• Formula Grant**

A formula grant distributes funds based on a formula established by law. Eligibility for formula grants is typically based on criteria such as population, poverty level or number of students in special populations (such as homeless students). Under formula grants applicants are not competing for funds, but the granting agency can impose a rigorous application process upon formula funds.

#### **• Discretionary Grants**

Discretionary grants, also known as competitive grants, permit the granting agency to exercise discretion over the selection of entities for funding. The criteria for applying for and receiving a discretionary grant are defined by federal laws and, in certain cases, regulations. Under certain programs, the entity responsible for selecting grantees has relatively wide discretion in establishing competitive criteria.

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## **GRANTS MANAGEMENT TOOLS, RESOURCES AND WEBSITES**

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### Collin County Community College District

- Collin College and Cougar Web <http://www.collin.edu>
- Collin County Community College Board Policy Manual <http://pol.tasb.org/Home/Index/304>
- Workday <https://collin.onelogin.com>

### Federal Funding Agencies

- National Institutes of Health <https://grants.nih.gov>
- National Science Foundation <http://www.nsf.gov/>
- Small Business Administration <https://www.sba.gov/offices/headquarters/osbdc>
- US Department of Commerce <https://www.commerce.gov/>
- US Department of Education <http://ed.gov/fund>
- US Department of Energy <http://energy.gov>
- US Department of Health and Human Services <http://www.dhhs.gov/grants/index.html>
- US Department of Justice <http://www.usdoj.gov/10grants/>
- US Department of Labor <http://www.dol.gov/dol/grants2.htm>
- US Department of Transportation Federal Motor Carrier Safety Administration <https://www.fmcsa.dot.gov/>

### State Funding Agencies

- THECB (Texas Higher Education Coordinating Board) <https://www.highered.texas.gov/>
- Texas Comptroller of Public Accounts <http://www.window.state.tx.us>
- Texas Education Agency <http://www.tea.state.tx.us/>
- Texas Workforce Commission <http://www.twc.state.tx.us/>

### Informational Grant Related Manuals

- Department of Commerce [http://www.osec.doc.gov/oam/grants\\_management/policy/default%20p2.htm](http://www.osec.doc.gov/oam/grants_management/policy/default%20p2.htm)
- Department of Labor – ETA reports [http://www.eta-reports.doleta.gov/CFDOCS/grantee\\_prod/reporting/index.cfm](http://www.eta-reports.doleta.gov/CFDOCS/grantee_prod/reporting/index.cfm)
- Department of Labor – Payment Management System <https://pms.psc.gov/>
- Federal Student Aid Handbook <http://ifap.ed.gov>
- G5 – Department of Education Grant Administration and Payment System <http://www.g5.gov>
- National Science Foundation Policy Manual [http://www.nsf.gov/pubs/manuals/gpm05\\_131/index.jsp](http://www.nsf.gov/pubs/manuals/gpm05_131/index.jsp) and [https://www.nsf.gov/pubs/policydocs/pappguide/nsf16001/nsf16\\_1.pdf](https://www.nsf.gov/pubs/policydocs/pappguide/nsf16001/nsf16_1.pdf)
- National Science Foundation Reporting Site <http://www.research.gov>
- Texas Workforce Commission Manual <http://www.twc.state.tx.us/partners/financial-manual-grants-contracts>
- Uniform Grant Management Standards [http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200\\_main\\_02.tpl](http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl)
- WorkforceGPS – Department of Labor <https://www.workforcegps.org>



### Informational Grant Related Websites

- American Association of Community Colleges <https://www.aacc.nche.edu>
- Audit Disclosure Site <https://facweb.census.gov/uploadpdf.aspx>
- Catalog of Federal Domestic Assistance <http://www.cfda.gov> <https://sam.gov/content/assistance-listings>
- Davis Bacon Act <http://www.dol.gov/whd/govcontracts/dbra.htm>
- Department of Labor Volunteer Valuation <http://www.bls.gov/bls/blswage.htm>
- Debarment and Suspension list <https://sam.gov/content/home>
- System for Award Management (SAM) <https://sam.gov/content/home>
- Federal Funding Accountability and Transparency Act <http://www.fsr.gov>
- Grants.Gov <http://grants.gov>
- Grant Writing USA Forum <http://grantwritingusa.us/forum/>
- Information for Financial Aid Professionals(The Blue Book) <http://ifap.ed.gov/>
- Legislative Budget Board <http://www.lbb.state.tx.us/>
- OMB Circulars
  - 2 CFR Part 200 (Uniform Grant Guidance – UGG updated 3/21/2023)  
[https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200\\_main\\_02.tpl](https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl)
  - 2 CFR Part 215 (Formerly called A-110) (used for Federal awards received before 12-26-2014)
  - 2 CFR Part 220 (Formerly called A-21) (used for Federal awards received before 12-26-2014)
  - 29 CFR Part 95 and 29 CFR Part 97 (Department of Labor)
  - OMB Circular A-133 (used for Federal awards received before 12-26-2014)
  - 13 CFR 130 Small Business Development Centers
- OMB Forms <https://omb.report/>
- Standards for Internal Control <https://www.gao.gov/products/gao-14-704g>
- Texas Association of School Boards <http://www.tasb.org/index.aspx>
- Texas Legislature Online <http://www.capitol.state.tx.us/>
- USA Spending <http://www.USASpending.gov>
- US Government Printing Office <http://www.gpo.gov/>

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## **GRANT FINANCIAL MANAGEMENT SYSTEMS**

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Collin County Community College will comply fully with all applicable Federal, State and Local laws, regulations and policies to provide reasonable assurance of compliance with these requirements.

The College must have a proper financial management and program management system in order to receive and expend federal, state and local administrated grant funds awarded. Failure to establish and maintain the proper management systems could result in the return of funds to the granting agency and/or the termination of the grant. This handbook focuses on the financial management of the grant.

Financial Reporting and Disclosure: accurate, current and complete disclosure of the financial results of each federally-sponsored project or program in accordance with the reporting requirements set forth in 2 CFR 200.328 – Financial reporting. If federal awarding agency requires reporting on an accrual basis from a recipient that maintains its records on other than an accrual basis, the recipient shall not be required to establish an accrual accounting system. These recipients may develop such accrual data for its reports based on an analysis of the documentation on hand.

Source Documentation: records that identify adequately the source and application of funds for grant-sponsored activities. These records shall contain information pertaining to Federal, state and local awards, authorizations, obligations, unobligated balances, assets, outlays, income and interest.

Internal Controls: effective control over and accountability for all funds, property and other assets. Recipients shall adequately safeguard all such assets and assure they are used solely for authorized purposes.

Budget Reporting: comparison of outlays with budget amounts for each award. Whenever appropriate, financial information should be related to performance and unit cost data.

Cash Management: written procedures to minimize the time elapsing between the transfer of funds to the recipient from the U.S. Treasury and the issuance and redemption of checks, warrants or payments by other means for program purposes by the recipient; to the extent that the provisions of the Cash Management Improvement Act (CMIA) (Pub. L. 101-453) govern, payment methods of State agencies, instrumentalities, and fiscal agents shall be consistent with CMIA Treasury- State Agreements or the CMIA default procedures codified at 31 CFR Part 205, “Rules and Procedures for Efficient Federal-State Funds Transfers”.

Basic Cost Principles: written procedures for determining the reasonableness, allocable and allowance of costs in accordance with the provisions of the applicable Federal cost principles and the terms and conditions of the award.

Accounting Records: records, including cost accounting records that are supported by source documentation.

### Financial Reporting and Disclosure

Financial reporting is an integral part of the grant process. The reports are submitted to provide financial information about a grant project and to request grant payments. Reporting requirements vary in frequency, format, due dates and detail. The grant accountants must comply with all financial reporting requirements once a grant or contract is accepted. The terms of the agreement will govern the reports to prepare and the reporting deadline of each report. Financial results for each federal program will be reported separately.

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When required by the grantor, reports will be prepared on the accrual basis without making changes to the accounting system that Collin College currently uses.

Grant accountants will verify completeness, accuracy and prepare all financial reports which must agree with the ledger. Appropriate approvals, prior to providing reports to the funding agency, must be obtained.

The PI and/or PD should work with the grant accountant to ensure that the narrative report adheres to budget records.

The College is required to submit a final report of expenditures generally 45 to 90 days after the termination date of an award. All authorized expenditures and outstanding obligations must be determined and resolved prior to preparation of this report. Accurate, timely and complete input from the Principal Investigator and department is essential to complete this report.

### Source Documentation

Grant accounting shall include the details of all grant transactions, from the approval of the proposed grant to final action by the College. The College must maintain adequate documentation to demonstrate it adhered to the terms and conditions of the grant and performed the approved activities. Source documents may include purchase orders, contracts, time & effort records, supplier invoices, travel receipts and documentation, delivery receipts and payment documents (including check stubs).

### Internal Controls

Internal controls are tools used to help program and financial managers achieve results and safeguard the integrity of their program. Once risks are identified and analyzed, controls should be designed in response to reasonably manage relevant risks. A strong control environment allows management and employees to maintain a positive and supportive attitude toward internal controls and conscientious management. Communication should allow for information to be identified, captured and exchanged in a form and time frame that enable people to carry out their responsibilities. Controls should be continually monitored to assess the quality of internal controls over time.

Collin College will maintain an effective control and accountability system for procedures, operations, cash, property and other assets to provide reasonable assurance of compliance with applicable law, regulation and policy requirements. Controls are implemented to ensure the adequate safeguard of grant property and that such property is used solely for authorized purposes. The College shall ensure that no one person has complete control over all aspects of a financial transaction. (*see* 2 CFR 200.303 – Internal Controls)

### Budget Reporting and Controls

The initial budget proposal, along with any revised budgets developed by the PI, should incorporate plans to expend all grant funds in a timely manner. Costs are to be incurred only for goods or services that will be used or received during the project period of the grant. Purchases should not be limited in the last quarter of a grant.

Grants must have funds budgeted in such detail as required by the awarding agency. The College is required to follow the conditions of the grant that include, but may not be limited to:

- Spending funds in accordance with the approved budget of the grant;
- Returning unused balances of grant funds;
- Establishing property records of grant-acquired property, if so indicated; and
- Providing program and fiscal reports at given intervals as required.

It is the PI's responsibility to manage the project budget within the terms of the grant. The budget proposal serves as the project director's spending plan. The cost and source of the item determines the procedures used for procurement. It is the PI's responsibility to monitor and authorize all grant expenditures while making certain that all funds are expended in accordance with the approved budget, in the grant project timeline and before the grant expires. Expenditures should relate to the dates covered by the grant. No expenditure should be incurred before or after the grant beginning and ending dates unless prior approval has been received from the grantor.

The College, auditors, and field monitors must be able to compare actual expenditures to budgeted expenditures. The budget should be monitored by line item, keeping within the budget allowed for each account. Expenditures should be reviewed on at least a monthly basis, with more comprehensive reviews at the midpoint and three-quarter point of the budget period. The budget reports should be reviewed to reconcile your expenditures to the financial records and to check for accuracy of expenditures, track progress regarding expenditures. Controls within Workday prevent expenses from posting to a grant in excess of budget allocated for the ledger accounts. Any significant discrepancy will be investigated. The PI should develop any necessary revised spending plans to ensure that any necessary budget changes are submitted on a timely basis prior to the end of the budget period. Last minute budget changes are typically not acted upon favorably by funding officials.

### **Supplanting vs. Supplementing**

The terms of most government grants include a requirement that the college ensure that grant funds are not used to supplant (i.e., replace) funds normally available to the college for its operating expenses. Supplement is to increase the level of services and supplanting would be to take the place of state, local and other federal funds. Federal funds cannot be used to pay for services, staff, programs or materials that would otherwise be paid with state or local funds.

For this reason, grant dollars are maintained under a separate fund, and all expenditures are scrutinized individually to make certain that they are part of the approved grant budget.

### **Budget Controls**

The College publishes a Board approved Annual Budget each year. This publication includes the budget process and development procedures. Not only does the budget reflect the finances required to support the instructional programs, student programs and support services; it also serves as a control mechanism to match revenues and expenditures to prevent financial deficits. Budget planning and evaluation are continuous processes and should be a part of each month's activities. The Grant Accountants continually evaluate each individual grant's budgeted costs to actual expenditures and obligations to ensure that the program operates within the budget. Any budget modification requests that may be needed are submitted in a timely manner.

### **Cash Management / Payments**

Collin College is required to have reasonable procedures in place to ensure the timely transfer of funds, as well as a system to monitor cash drawdowns. The College must minimize the timing between drawdown and payment, while following the specific cash management procedures applicable to the program or grant. Instructions detailing payment procedures are usually detailed in the body of the award or often in the agency's handbook or manual. The Grant Accountant obtains this information to determine the method of payment. The College's cash management procedures will be followed, as well as any Federal or State Regulations that are applicable to the grant. Payments are usually received as an advance, cost-reimbursement or a scheduled payment by way of electronic transfer or check.

### **Payment**

Instructions detailing payment procedures are usually detailed in the body of the award or often in the agency’s handbook or manual. The Grant Accountant obtains this information to determine the method of payment. The College and District cash management procedures will be followed, as well as any Federal or State regulations that are applicable to the grant. The form of payment is usually advance, cost-reimbursement or in accordance with a schedule of payments (percentage of completion) mandated by the agency. Grants accounting will work closely with the PI to ensure that requests for payment are completed in a timely manner.

### **Advance Payments**

Advances are usually received upon official signed acceptance of the award. When advance payment procedures are used, federal laws and regulations mandate minimizing the time that elapses between the transfer of funds from the U.S. Treasury and the disbursement of funds by the College. In addition, Collin will follow any specific guidelines stated in the grant contract. Accordingly, only enough federal funds should be advanced to meet immediate needs. See Cash Management Improvement Act (CMIA) at <https://fiscal.treasury.gov/cmia/>.

When an advance is received in the department by the PI, this payment should be taken to the Cashier’s Office and deposited in the Fund, Grant, and Ledger as provided to the PI by the Grant Accountant. The funds are deposited in a “Deferred Revenue” account assuming there have been no expenses to date and a receivable has not been booked.

### **Cost Reimbursement Payments**

Costs incurred and paid by the college, member colleges or subgrantees, with college funds are reimbursed by the funding agency. Based on a pre-determined schedule and reporting requirements, a Request for Reimbursement Invoice, or other financial report as required by the grant agency, will be completed upon receipt of the required documentation to substantiate reported expenses. All reimbursement requests are prepared and submitted by the Grant Accountant and, unless dictated otherwise by the agency, will occur on a monthly basis. Grant Accountant will work closely with the PI to ensure that requests for payment are completed in a timely manner.

### **Schedule of Payments**

These payments are paid in accordance with a schedule of payments, or percentage of completion, mandated by the funding agency.

### **Basic Cost Principals**

The total costs of a grant are comprised of the allowable direct costs together with the allocable portion of facilities & administrative (F&A) costs minus applicable credits. All costs should be allowable, reasonable, necessary and allocable. (*see* OMB 2 CFR 200.402 – 411 – Basic Considerations)

Costs are classified according to the descriptions provided in Collin College’s Chart of Accounts and the cost category descriptions in the grant approved budget. For a cost to be allocated to a grant, the cost must be allowable, allocable, reasonable and necessary to complete the activities that are within the scope of the grant project and objectives.

### **Allowable Costs**

To be considered allowable, the cost must be reasonable; must be allocable to the grant contract; must be given consistent treatment through Generally Accepted Accounting Principles (GAAP); and must be allowable per OMB circular and any other specific cost principles that may be stated in the grant award.

### **Reasonable and Necessary**

A cost may be reasonable if the nature of the goods or services acquired, and the amount involved reflect the action that a prudent person would have taken under the circumstances prevailing at the time the decision to incur the cost was made. Consideration is also given as to whether the cost is generally recognized as necessary to complete activities that are aligned to the project's scope and objectives.

### **Allocable to the Federal Award**

Program costs, staff time and general and administrative costs will be allocated and treated consistently over time. Program costs will be allocated to a particular cost objective, such as a grant, project, service or other activity, in accordance with relative benefits received. A cost is allocable if it is incurred specifically for the award, benefits the award, is necessary to the overall operation and can be distributed in reasonable proportion to the benefits received although a direct relationship to any cost objective cannot be shown.

Administrative costs will be allocated among programs based on the amount of time spent attending an event in an administrative capacity, actual administrative use of the items purchased, or the amount of time a contractual service spent providing any administrative services.

The College has an approved federal Indirect Cost Rate that is used to allocate indirect costs among the different programs and grants.

### **Applicable Credits**

Refers to those receipts or negative expenditures that operate to offset or reduce direct or Facilities and Administrative (F&A) cost items. Credits such as purchase discounts, rebates, allowances, or educational discounts; recoveries or indemnities on losses; and adjustments of overpayments or erroneous charges.

### **Unallowable Costs**

An unallowable cost is any cost that cannot be charged to the grant regardless of whether the cost is treated as direct or F&A cost. It is important to note that while a cost may be allowable under an OMB Circular, it may not be allowable under the terms and conditions of a grant program because each grant has specific programmatic goals and requirements. Therefore, it is important to always check the terms of the grant itself, to ensure a cost is allowable.

### **Period of Available Funds (Period of Performance)**

Where a funding period is specified, a recipient may charge to the grant only allowable costs resulting from obligations incurred during the funding period and any pre-award costs authorized. (See 2 CFR Part 200.309 – Modifications to Period of Performance)

### **Obligation of Funds**

An obligation is when the College formally designates funds for a specific expense. It is important to obligate and expend funds in accordance with the approved budget. All obligations must occur on or between the beginning and ending dates of the grant project.

### **Accounting Records**

Much like the requirement for financial disclosure and source documentation, the College must maintain records which adequately identify the source and application of funds provided for financially assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income.

Once written notification of the approved, or signed, grant award has been received by the Grant Accountant, a separate restricted record for each grant/award is created to prevent the co-mingling of funds. Source documentation for each expense is reviewed and then tracked by account and line item within each grant category. The College utilizes an encumbrance system for budgetary control for payroll and purchasing; additionally, controls are in place within the purchasing system requiring adequate budget funds be available before requisitions can be entered into the system.

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## **AWARD NOTIFICATION**

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The document issued to notify the grantee that an award has been made varies among agencies. Grantors might use a Notice of Grant Award (NGA), a Notice of Award (NOA), Grant Award Notification (GAN), an award letter email or possibly even a contract - to name a few. You must immediately inform the Grant Development Office and Grant Accounting if you receive notice of an award. The document must be signed by the College and the awarding agency before implementation may begin. The award notification is a legally binding contract between the grantor and grantee. **College policy requires that only the President or their designee is authorized to sign, on behalf of the District, all agreements, contracts, grants and other documents.**

You should contact the Grant Management Office before initiating contact with the funding source. Agency Program Officers typically phone or email the contact person (listed on the proposal) to discuss clarifications, additional information needed, and budget reductions/revisions. The person contacted should request a meeting with the Grant Management Office and Grant Accounting to provide technical assistance before doing any negotiations with the awarding agency. Grants Management Office and Grant Accounting both need to have copies of any written materials received or submitted to the funding source as some correspondence becomes part of the contract.

All pertinent information regarding the award is often found in the NGA document and includes the following:

- Grant Identification Number
- Grantor Name
- Name of the Principal Investigator
- Project Name
- Approved Project Period (start and end dates)
- Amount of Funds Authorized
- Applicable Terms and Conditions

It is imperative that any conditions necessary to implement acceptance be completed as detailed in the instructions. The initial NGA provides funds for the project during the first budget period. Budget periods usually are twelve months long; however, longer or shorter budget periods may be stated. Amounts shown for subsequent years represent projections of future funding levels and are contingent upon satisfactory progress, the availability of funds and the continued interest of the grantor. They are not guarantees!

Once the award document is fully executed or the official notification is received, send the information along with a budget breakdown to the Grant Accountant. This budget breakdown should detail by ledger, how the dollars are to be entered into the Workday system and how they correspond to the granting agency categories (per the NGA). The PI is to work closely with the Grant Accountant to determine the correct ledger coding. The source of the funds must be provided to the Grant Accountant. If the source is Federal (Department of Education, National Science Foundation, Department of Justice, etc.) the Catalog of Federal Domestic Assistance (CFDA) number must be provided. This information is required for completion of the Schedule of Expenditures of Federal Awards in the college's Annual Comprehensive Financial Report (ACFR).

All new grant fund awards, increases or reductions must be included in a quarterly budget amendment worksheet for the Board to review.



The PI will need to set up a system to manage each grant project, either in printed form or electronic form. The general rule is one grant, one binder/file, though additional binders/files may be necessary for some grants; especially those who involve sub-awards. The binder/file should include at least the following:

- Request for Proposal (grant application)
- Proposal guidelines and supporting legislation
- The proposal and submission forms
- The award letter (Notice of Grant Award)
- The grant agreement and budget
- Contract amendments and modifications
- Monthly, quarterly or annual performance reports
- Supply and inventory
- Personnel time and effort worksheets and time sheets for part-time
- Evaluation forms and data
- Correspondence with the grantor (agency)
- Controlled and capital asset reports
- Other necessary information

Even if this information is divided through separation of duties, the PI or relevant grantee staff should maintain a binder with the above information for auditing use.

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## SETTING UP THE GRANT

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Once written notification of the approved, or signed, grant award has been received by the Grant Accountant, a Workday fund, grant/award and ledger are assigned and provided to the PI indicating grant funds may now be spent. Please use this fund/ledger code for all costs (payroll, requisitions, check requests, etc.) applicable to this project. A separate grant/award for grants and contracts is required because co-mingling of funds is unallowable.

All grants are given an alphanumeric code. All codes begin with GR followed by a four-digit number. The codes are issued sequentially. There are currently two funds for a grant – FD200 (Sponsor) and FD215 (Loan and Other Restricted) The PI will be provided access to the *Grants Management Handbook - Post Award* to serve as a written resource on grant-related issues. The PI should make sure all personnel that work with this grant also reviews the *Grants Management Handbook - Post Award*.

The PI needs to provide the Grant Accountant the names and CWID of those who will need access to the grant/award in Workday. Be sure to include administrative personnel that will be entering requisitions. The PI also needs to provide the names and CWID of those who should be set up as an approver in the purchasing requisition process for this grant/award. The Grant Accountant will make sure Workday access and purchasing approval paths are set up for the new grant/award.

When reviewing the project budget, the PI must remember that direct costs are those that can be specifically identified with a particular cost or service, while indirect cost are those that are incurred for common or joint objectives and cannot be readily identified with a particular cost or service (indirect costs generally are allocated to the college to cover overhead expenses). All grant budgets include direct costs, but not all include indirect costs.

Indirect costs are often referred to as facilities and administration costs. A grantee's indirect cost process and rate must be approved by their cognizant agency. Currently, Collin's cognizant agency is the Department of Health and Human Services. The College applies for the indirect cost rate every three to four years as required (*see Direct and Facilities and Administrative (F&A) Costs page 33*).

The PI is responsible for all activity incurred on behalf of their project. Expenditures must be allocable, allowable, reasonable and necessary according to the terms of the granting agency (*see Basic Cost Principles page 14*).

The PI is responsible for tracking all expenditures charged to grant projects for purposes of accounting and audit. Approval of all grant expenditures and documentation of all expenditures and matching (including personnel costs) for the project is the responsibility of the PI. While project staff may assist, the ultimate responsibility rests with the PI to maintain documentation and authorize grant expenditures. The Grant Accountant reviews all expenditures for appropriateness and accuracy as well as to ensure compliance with grant agreement. The PI has access to all financial reports and spreadsheets completed by the Grant Accountant.

**We have an important obligation to be good and responsible stewards of public and private grant funding awarded to the College.** Grant monies are awarded to accomplish goals and objectives identified in the proposal that coincide with the College's goals. Grants require a high degree of accountability and performance and are subject to Federal regulations or other funding agency requirements as well as District requirements.

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## **HIRING PROJECT PERSONNEL**

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New grant-funded positions must be filled using the Collin College policies and procedures (found on CougarWeb). Those responsible for filling these positions should pay close attention to how the grant describes the responsibilities and qualifications of the positions and any special requirements. If the employee is already employed by the college and a percentage of their time has been approved by the granting agency to be charged to the grant, the PI must complete a Human Resource Department Personnel Action Request form (PAR). If the employees' regular job description does not cover the grant duties; a new job description must be written. The budget for both salaries and benefits should be reviewed to be sure sufficient funding is budgeted before being filled. If the grant award is for multiple years, be sure to allow for possible yearly salary increases. Salary rates must be in line with Collin College's pay scale. Once notification has been received that the award has been funded, the PI needs to start the hiring process. The Grant Accountant should be sent a copy of the job description and the job posting.

During a grant, it may be necessary to replace grant-funded personnel or to make job modifications. Most funding agencies have established procedures requiring notification of director vacancies and prior approval of personnel changes. Also, approval must be obtained from appropriate college administrators and secured in advance of implementing the planned changes. Be sure to inform the Grant Management and Grant Accounting Departments of any vacancies or leaves of absence that may occur during the period of performance.

Some grant awards allow for college faculty to receive some amount of release time from their normal teaching load to carry out certain aspects of the grant. Contact the Human Resources department for information on how to implement this requirement and inform the Grant Accountant on how this will be implemented.

Collin employees hired for special projects or extra service are usually hired to work on an extended contract using the Extra-Service Agreement Forms (forms on CougarWeb). External consultants are utilized by following procurement procedures.

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## PURCHASING WITH GRANT FUNDS

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One of the PI's major responsibilities is to manage the project budget within the terms of the grant. Careful and realistic construction of the budget when the proposal was developed means that adequate funds should be included to cover project costs and personnel expenses. The proposal budget serves as the project director's spending plan. The cost and source of the item determines the procedures used for procurement. All Collin College purchasing policies apply to externally funded projects, including grants. Laws and regulations require completion of appropriate documentation before any grant purchase is made.

Upon acceptance of a grant, a copy of the grant award notice is provided to the Purchasing Department. When making a purchase using federal funds, Purchasing will check the vendor exclusions at <https://sam.gov/content/home> (System for Award Management (SAM)) to ensure that vendors have not been suspended or debarred prior to the order being processed.

Purchases will be made by requisition/purchase order, check request or petty cash procedures. Requisitions are completed and processed electronically via a requisition through Workday. When spending grant funds, the electronic requisition is routed through a "Grant" path for approval before it is submitted to the Purchasing Office. If a vendor requires a check or credit card purchase up front, by special approval a requisition may be done. Contact purchasing for approval to submit requisitions and instructions. Some Collin Employees now have a p-card available to make purchases. Purchasing monitors all p-card purchases for appropriateness. Prior to receiving a purchasing card, all users must attend training, and agree in writing to abide by p-card guidelines.

Examples of exceptions to the use of requisitions include ordering or renewing subscriptions, memberships, employee reimbursements, etc. **Prior written approval is needed if it is necessary for purchaser to use personal funds to purchase the service or goods and/or will request reimbursement by check request instead of a purchase order.**

The PI must ensure that any equipment items purchased using grant funds are specifically approved by the funding agency as a budget line item and are tagged and inventoried in accordance with college policies and procedures. Disposition of this equipment during or at the end of the grant period must be in accordance with funding agency and college guidelines (*see* Property Management page 37).

Use CaterTrax to purchase meals for an event, workshops or staff meetings. A copy of the agenda and sign in sheets for each day of the event must be sent to accounts payable ([acctspay@collin.edu](mailto:acctspay@collin.edu)) after the event, workshop or staff meeting. The cost of the meals must comply with the college's per diem rates. Local travel requires completion of the appropriate form. Professional travel will be entered into the Workday system and the approval will follow the grant approval path. Collin does allow some employees to use their p-card for certain travel expenses for professional travel instead. Most business procedures and forms may be found on Cougar Web. Required back-up for reimbursement follows the college's policies. The Grant Accountant may require additional back up in some cases. For Federal grants, promotional items are referred to as memorabilia, which are considered advertising and public relations costs and are not allowable costs unless specifically written in the grant proposal/award.

PIs and staff should never instruct a supplier to deliver goods or begin any services until an authorized Purchase Order has been generated. Any such instructions to a supplier may become the personal financial liability of the requesting individual.

Purchasing deadlines for submission for the board agenda is available on Cougar Web. Please keep this timeframe in mind when conducting business. Collin County Community Colleges Purchasing Thresholds are as follows:

- Collin 9,999.99 or less - One (1) current price quote is obtained by the requesting Department.
- \$10,000 - \$49,999.99 requires three (3) written quotes. All quotes must be attached to the requisition in Workday. Purchasing provides a form, available on Cougar Web to document the quotes: [chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/http://inside.collin.edu/purchasing/pdfs/Quote\\_Form\\_9-15-2016.pdf](http://inside.collin.edu/purchasing/pdfs/Quote_Form_9-15-2016.pdf). Quotes may be obtained by the requesting department or by the Purchasing Department.
- \$50,000 and Over require a formal solicitation issued by the Purchasing Department with legal notice posted in the newspaper.
- \$100,000 and over must be approved by the Board of Trustees prior to an order being placed.

Collin County Community Colleges Sole Source Purchases policy:

When a product/service can be provided by only one vendor and the dollar value exceeds \$10,000 or the grant specifies that justification is required, the department must provide sole source documentation to Purchasing as back-up. The Sole Source Justification form is available in CougarWeb under purchasing in the District Services box. (See Sole Source Procurement Policy.) Requestors must complete and submit the sole source justification form (requisition) and the purchase requisition at the same time. The sole source justification must reference the purchase requisition number. The requisition number of the sole source justification form and a note that this is a sole source purchase should be included in the purchase requisition's internal notes for Approvers. Once approved, the sole source justification will be available from within Workday to be referenced as backup to the future Workday purchase requisitions as an internal note. The form must be referenced on each requisition submitted for that sole source vendor and must not be more than 12 months old. After 12 months, a new sole source justification form must be resubmitted for approval. Requisitions referencing an outdated sole source justification form may be returned to the requestor by Purchasing.

Some grant budgets have funds allocated for the purchase of subrecipient services, contracted services and/or consultants. Grants normally specify and provide qualifications, and frequently name the external consultant in the proposal. The most typical situation where subrecipient services are needed is when grant funds need to be shared with other organizations operating as project partners. Please review Subrecipient section for more detail. Contracts may be needed to purchase services. Contracts are considered a vendor relationship and need to follow procurement rules.

## Grants Management Handbook – Post Award

Revised 3.23.23

A Contract for Services form is used for individual and sometimes company consultant agreements. Check with purchasing to make sure that you do not need to submit a requisition if the Contract for

Services is for a Vendor. This form is available on CougarWeb. A W-9 will need to be completed and attached to the contract. Consultants may be needed to serve as speakers, or to provide expertise in a particular area. A consultant is an individual retained to provide professional advice or services for a fee, they are not an employee of the College. The consultant fee must be reviewed to determine it is allowable and reasonable. (*see* 2CFR 200.324 – Contract cost and price) Once the agreement specifying the terms and conditions of the service has been pre-approved and signed by all parties, payment should be requested using a Contract Labor Form if for an individual and a check request form for a company. Attach a copy of the signed agreement to the request. **Contracts must be approved and appropriately signed before any work starts.**

Subrecipient agreements will be developed by the PI and submitted for the appropriate approval. As a part of the original award, Subrecipient agreements do not need Board approval. This process should be started soon after receiving the Grant Award Notification. (*See* Subrecipient section)

Contract for Services Agreements and subrecipient agreements for Federal or State awards should also include services to be performed, deliverables, due date, amount of compensation, time period of award, notification that the award is Federal or State and name of the awarding agency, notification of the CFDA# (Federal only) and a statement that the agreement will comply with Federal and State laws and regulations. (*for contracts see* Appendix II to Part 200 – Contract Provisions for Non-Federal Entity Contracts under Federal Awards; *for subrecipient agreements see* 2 CFR 200.332 – Requirements for pass-through entities.)

For complete Collin County Community College Purchasing policy and procedures please see Cougar Web, My Workplace.

**Do not purchase goods or services from relatives or friends. This is a financial conflict of interest.** The College has adopted and abides by the NIGP Code of Ethics. A copy of the NIGP Code of Ethics can be found at <https://www.nigp.org/resource/certification/handbook/code-of-ethics-cpp-handbook.pdf>

## **SETTING UP THE EVALUATION PROCESS**

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Programmatic and performance reports are the responsibility of the PI. Performance reporting and project evaluation are among the most critical aspects of project implementation and are ongoing processes.

Most grant proposals include an evaluation plan which serves as the blueprint for the project's evaluation. This plan outlines the general methods and standards to be used to measure the success of the project. This evaluation plan should include a description of what will be evaluated, when the evaluation will take place, instruments to be used for measurement, which individual will perform the evaluation, and how the information gathered will be used to determine the project's success. Establishing a solid and detailed evaluation plan at the onset reduces the likelihood of confusion in the future.

After the grant award notification is received, the PI should review the objectives, activities and outcomes of the proposal and develop a preliminary list of baseline data and possible assessment instruments needed in order to measure different aspects of project progress and success. A recordkeeping process that addresses, at a minimum, the establishment of electronic databases; the physical location and organization of electronic and paper files; processes to ensure the consistency, completeness and accuracy of electronic and paper files; and methodology to document progress, including the ongoing status of any project partnerships.

Many projects use an external evaluator who is familiar with the field of study and the type of program to be implemented. If the grant specifies the use of an external evaluator but did not designate one by name in the grant proposal, it is important to identify the evaluator as early in the project as possible. The evaluator should sign a Contract for Services Form with the college in advance of performing the work. The external evaluator should receive information about the project on a regular basis and should assist in the development of the evaluation format. Any reports generated by an external evaluator should be submitted to the PI.

### Performance Measurement

Per 200.301 - The Federal awarding agency must require the recipient to use OMB-approved standard information collections when providing financial and performance information. As appropriate, the Federal awarding agency must require the recipient to relate financial data to performance accomplishments of the Federal award. Also, when applicable, recipients must also provide cost information to demonstrate cost effective practices (e.g., through unit cost data). The recipient's performance should be measured in a way that will help the Federal awarding agency and other non-Federal entities to improve program outcomes, share lessons learned, and spread the adoption of promising practices. The Federal awarding agency should provide recipients with clear performance goals, indicators, and milestones as described in 2 CFR 200.211 Information contained in a Federal award. Performance reporting frequency and content should be established to not only allow the Federal awarding agency to understand the recipient progress but also to facilitate identification of promising practices among recipients and build the evidence upon which the Federal awarding agency's program and performance decisions are made.

### Project Evaluation and Reports

As stated earlier, evaluation is an important component of the project for the purpose of measuring successful accomplishment of project objectives. The importance of project evaluations and reports cannot be underestimated. Evaluation is an ongoing process. Depending on the funding agency, evaluations may be required monthly, quarterly or annually. For some multi-year government grants, an evaluation is submitted annually as a progress report or a competing continuation application as a requirement for continued funding in the subsequent year. Data collection and recordkeeping, analysis, corrective actions, and reporting will be required throughout the life of the grant.

The formal award notification includes a schedule for any reports that must be submitted and the dates these reports will be due. PIs must be aware of the format and content requirements of reports and their due dates before the project begins so that information needed for the reports may be collected throughout the duration of the project. Meeting deadlines is critical. Programmatic or performance reports are the responsibility of the Principal Investigator and should reflect the progress made in accomplishing the project objectives.

Most evaluation plans talk about two types—formative and summative. Formative evaluations are conducted at specified points during the grant period. The formative evaluation is used to assess progress, identify potential and actual problem areas, and take corrective actions needed to address problems. Formative evaluations may be required monthly, quarterly, annually, or not at all by the funding agency. Summative evaluations are final evaluations that are completed at the conclusion of the entire grant period and are required of all grants.

Reports of expenditures are required as documentation of the financial status of grants in accordance with the timeline indicated by the grantor. These reports will be completed by the Grant Accountant. All records of project expenditures and documentation of matching or cost-sharing for the project must be provided by the PI. Most reports are now transmitted electronically; however, there are some requiring hard-copy submissions. Therefore, it is imperative that the PI allows sufficient time between the submission of this information and the due date for the report for the purpose of obtaining internal approvals required prior to submission to the funding agency. Meeting report deadline dates is critical. Failure to meet deadlines can have a serious impact on future funding possibilities and in some cases may hold up the awards of new grants to your College.



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## **AUDITS**

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Each year, Collin College's records are audited by an independent, external audit firm that includes a Single Audit that is required by law and Uniform Grant Guidance. Collin College reviews or conducts its own internal investigation, in some situations. A Grant Accountant, for example will question expenses that appear to be out-of-line with the scope of the budget or disallowable. Collin's internal audit department may audit a grant or investigate potential problems related to fiscal matters. Additionally, certain funding agencies maintain the right to audit the grant records.

All financial records must be maintained in order to facilitate any audit that may include a review of the project. In the event of notification of an impending funding agency audit, the PI must contact the Controller immediately after receiving any verbal or written communication from the funding agency regarding a site visit, program review or audit.

PI's will occasionally be notified that their Program Officer plans a site visit. Site visits give the College an opportunity to share the project's progress, success, and continued potential with the funding source's representative. The Program Officer typically has some preferences in terms of scheduling and with whom they meet during the visit. They usually provide some general information about what they want during the visit. The PI should prepare a site visit agenda and review with their administrator before the site visit. The PI should notify the Grant Accountant about the planned site visit with information about what fiscal areas the Program Officer may want to review.

This section provides an overview of the single audit requirements and the College's responsibilities for audit follow-up and resolution.

### Single Audit Requirements for Federal Programs

Grant recipients that expend \$750,000 or more annually of federal financial assistance (i.e., the total for all federal programs) must have a single audit or program-specific audit performed as stipulated in the federal OMB 2 CFR Part 200 Subpart F – Audit Requirements. The definition of federal financial assistance as provided by OMB is assistance received or administered in the form of grants, cooperative agreements, loans, loan guarantees, property (including surplus property), interest subsidies, insurance food commodities, direct appropriations and other assistance. The cost for auditing a federal program may be charged to the grant when the audit is required under and conducted in accordance with the OMB Circular. Costs for auditing a federal program may not be charged to the grant when the audit is not required under and not conducted in accordance with the OMB Circular.

The purpose of the single audit is to determine whether:

- the financial position is presented fairly through the grantee's financial statements; and
- internal controls and other control systems are in place to provide reasonable assurance that the grantee follows relevant laws, regulations, and agreements

### Grantee Audit Responsibilities

The College has the following general responsibilities:

- providing access to records and financial statements
- assisting monitoring and oversight activities
- submitting notification of audit conducted and no audit findings or questioned costs were determined
- following up and taking appropriate and timely corrective action to resolve audit findings and
- maintaining audit files

Under the OMB Circular, the College must also do the following:

- Identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency, and name of the pass-through entity.
- Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.
- Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs.
- Prepare appropriate financial statements, including the schedule of expenditures of Federal awards.
- Ensure that the required audits are properly performed and submitted when due. When extensions to the report submission due date required are granted by the cognizant or oversight agency for audit, promptly notify the Federal clearinghouse designated by OMB and each pass-through entity providing Federal awards of the extension.
- Follow up and take corrective action on audit findings, including preparation of a summary schedule of prior audit findings and a corrective action plan.

### **Financial Statements**

Under the OMB Circular, the financial statements required in the audit must adhere to the following standards:

Financial statements must reflect the grantee's financial position, results of operations or changes in net assets, and, where appropriate, cash flows for the fiscal year audited. The financial statements must be for the same organizational unit and fiscal year that is chosen to meet the requirements of this part. However, organization-wide financial statements may also include departments, agencies, and other organizational units that have separate audits and prepare separate financial statements.

The grantee must also prepare a schedule of expenditures of Federal awards for the period covered by the financial statements which must include the total Federal awards expended as determined in accordance with 2 CFR 200.502 – Basis for determining Federal awards expended. While not required, the grantee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the grantee may list the amounts of Federal awards expended for each award year separately.

Per 2 CFR 200.510 (b) at a minimum, the schedule of expenditures must:

- List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended must be shown either by individual award or by Federal agency and major subdivision within the Federal agency.
- For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.

- Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available. For a cluster of programs also provide the total for the cluster.
- Include the total amount provided to subrecipients from each Federal Program.
- For loan or loan guarantee programs described in 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total federal awards expended for loan or loan guarantee programs in the schedule.
- Include notes that describe the significant accounting policies used in preparing the schedule and note whether the auditee elected to use the 10% de minimis cost rate as covered in 200.414 Indirect (F&A) costs.

### **Follow-up and Corrective Action**

Under the OMB 2 CFR 200.511 Audit findings follow-up, the College has the following responsibilities after the audit:

- *Follow-up and corrective action on all audit findings.* As part of its responsibility, the grantee must prepare a summary schedule of prior audit findings. The auditee shall also prepare a corrective action plan for current year audit findings. The summary schedule of prior audit findings and the corrective action plan must include the reference numbers the auditor assigns to audit findings under 200.516 (c) Audit findings. Since the summary schedule may include audit findings from multiple years, it must include the fiscal year in which the finding initially occurred. The corrective action plan and summary schedule of prior audit findings must include findings relating to the financial statements which are required to be reported in accordance with GAGAS.
- *Summary schedule of prior audit findings.* The summary schedule of prior audit findings must report the status of all audit findings included in the prior audit's schedule of findings and questioned costs. The summary schedule must also include audit findings reported in the prior audit's summary schedule of prior audit findings except audit findings listed as corrected, no longer valid or not warranting further action. The grantee must develop the summary schedule as follows:
  - When audit findings were fully corrected, the summary schedule need only list the audit findings and state that corrective action was taken.
  - When audit findings were not corrected or were only partially corrected, the summary schedule must describe the reasons for the finding's recurrence and planned corrective action, and any partial corrective action taken. When corrective action taken is significantly different from corrective action previously reported in a corrective action plan or in the Federal agency or pass-through entity's management decision, the summary schedule must provide an explanation.

- When the auditee believes the audit findings are no longer valid or does not warrant further action, the reasons for this position must be described in the summary schedule. A valid reason for considering an audit finding as not warranting further action is that all the following have occurred:
  - Two years have passed since the audit report in which the finding occurred was submitted to the Federal Audit Clearinghouse;
  - The Federal agency or pass-through entity is not currently following up with the grantee on the audit finding; and
  - A management decision was not issued.

(see 2 CFR 200.511 – Audit findings follow-up)

**Corrective action plan**

At the completion of the audit, the auditee must prepare in a document separate for the auditor's findings described in 200.516 Audit findings, a corrective action plan to address each audit finding included in the current year auditor's reports. The corrective action plan must provide the name(s) of the contact person(s) responsible for the corrective action(s), the corrective action(s) planned, and the anticipated completion date(s). If the grantee does not agree with the audit findings or believes corrective action is not required, then the corrective action plan must include an explanation and specific reasons.

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## **BUDGET AND PROGRAMMATIC CHANGES**

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Budget and program changes may be necessary to meet changing needs or circumstances. For example, project staff may have started working on the project later than planned which resulted in salary savings. New reporting requirements may require some budget changes.

Significant changes in the project require consultation with the funding source. Funding sources generally have guidelines or terms and conditions specifying the types of changes that require prior approval and the role played by funding source contacts. In the case of governmental grants, this may include change in project scope, objectives, key personnel, or budget.

PI's contemplating implementation of budget changes should consult with the Grant Accountant before submitting changes to the funding source. The PI needs to be aware of funding source restrictions on, conditions for, or timing of requests. The PI normally makes the contact with the Program Officer by email or electronic submission of the request, depending on the requirements of the funding source.

Proposed changes are not official until written or electronic approval is received. The Grant Accountant must receive a copy of all changes. A budget adjustment request and a copy of the funding source's approval must be submitted to the Grant Accountant to officially change the budget.

A no-cost extension is a request to extend the grant period beyond the previously approved end of the grant and for which no additional funds are granted beyond what was previously approved for award. The PI should pay close attention to the deadline for submittal of a no-cost extension request and the information that will be required for the request. No-cost extensions can typically be requested for up to a year and usually require justification based on achieving the objectives of the grant and a projection about how much money will remain at the end of the grant period with a discussion of how the funds will be used. The fact that you haven't spent all the funds is not an adequate justification for the request. Request more time than you think you may need. You can always end sooner, but it creates problems if more time is needed.

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## **COST SHARING / MATCH AND LEVERAGED RESOURCES**

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For all Federal awards per 2 CFR 200.306 Cost sharing or matching, any shared costs or matching funds and all contributions, including cash and third party in-kind contributions, must be accepted as part of the non-Federal entity's cost sharing or matching when such contributions meet all of the following criteria:

- are verifiable from the College's records
- are not included as contributions for any other federal award
- are necessary and reasonable for accomplishment of project or program objectives
- are allowable under Subpart E – Cost Principles of this part
- are not paid by the Federal Government through another Federal award, except where the Federal statute authorizing a program specifically provides that Federal funds made available for such program can be applied to matching or cost sharing requirements of other Federal programs
- are provided for in the approved budget when required by the Federal awarding agency
- conform to other provisions of this part, as applicable

Cash match for grant-funded projects must be requested through the Leadership Committee as a part of the grant proposal. Drawn from the College's transfer account, the budget for matching funds are placed into the project account at the beginning of the project. All cash and in-kind matches required in the grant project must be documented and records will be maintained by PI.

Unrecovered F&A or indirect costs may only be included in cost sharing, matching or leveraged resources with prior approval of the awarding agency.

### Tuition

The College may not count tuition and fees collected from students toward meeting matching, cost sharing, or maintenance of effort requirements (*see* EDGAR 34 CFR Part 76.534).

### Volunteering

Volunteer services furnished by third-party professional and technical personnel, consultants, and other skilled and unskilled labor may be counted as cost sharing or matching if the service is an integral and necessary part of an approved project or program.

Rates for volunteer services must be consistent with those paid for similar work in the recipient's organization. In those instances, in which the required skills are not found in the recipient organization, rates must be consistent with those paid for similar work in the labor market in which the recipient competes for the kind of services involved. In either case, paid fringe benefits that are reasonable, allowable, and allocable may be included in the valuation.

When an employer other than the recipient furnishes the services of an employee, these services must be valued at the employee's regular rate of pay (plus an amount of fringe benefits that are reasonable, allowable, and allocable, but exclusive of overhead costs), provided these services employ the same skill(s) for which the employee is normally paid.

Volunteer services must be documented and, to the extent feasible, supported by the same methods used by the recipient for its own employees.

### Supplies

Donated property from third parties may include such items as equipment, office supplies, laboratory supplies, or workshop and classroom supplies. Value assessed to donated property included in the cost sharing or matching share must not exceed the fair market value of the property at the time of the donation.

### Equipment, Buildings and Land

The method used for determining cost sharing or matching for third party-donated equipment, buildings and land for which title passes to the non-Federal entity may differ according to the purpose of the federal award.

### Documentation

The basis for determining the valuation for personal service, material, equipment, buildings, and land must be documented. The College requires that cash and in-kind items need to be documented using the In-Kind match form found on CougarWeb or equivalent.

### Leveraged Resources

Leveraged Resources are all resources used to support grant activity and outcomes, whether those resources meet the standards required for match. This means both allowable match and other costs that do not normally meet the requirements of match regulations but do support the outcomes of grant activity. All leveraged resources must be expended on costs that are allowable under the Circulars and used to further grant activity and outcomes. The costs of leveraged resources may be paid for with either Federal or non-Federal funds.

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## **COST TRANSFERS**

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A cost transfer is an after-the-fact reallocation of the cost associated with a transaction from one project to another. Although it is preferable to charge costs to the correct project when they are incurred, cost transfers are occasionally necessary. To be allowable, cost transfers must:

- be timely
- have benefited the project to which the charges are to be transferred
- be allowable and allocable to the specific project
- have sufficient funds available prior to the transfer
- be incurred during the budget period of the project
- have appropriate authorizing signatures by the PI

Project directors need to review all fiscal grant activity on a monthly basis to ensure that expenses are appropriately charged to your budget and that no costs have been erroneously posted to your grant account.

All requests for transfers that are determined to be for convenience, or merely because funds are available will be rejected. After the final report has been submitted to the granting agency, cost transfers cannot be processed unless a cost has been charged to the closed project that did not benefit the project or is unallowable.

Cost transfers occur for several reasons. For example, personnel may not be appropriately paid from one project and will require a transfer of the cost to the appropriate project where the effort was expended. Errors and omissions are also responsible for problems encountered in the daily administration of projects. Transfer of costs that represent corrections of clerical or bookkeeping error must be made promptly after the error is discovered. The transfer must be supported by documentation that contains a full explanation of how the error occurred and a justification of the charge to the receiving project by the PI of the project.



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## **DIRECT, FACILITIES AND ADMINISTRATIVE (F&A) COSTS**

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All allowable direct and facilities and administrative (F&A) costs (also known as indirect costs) allocated to the grant, minus any applicable credits, constitute the total costs.

An incurred cost is either a direct cost ONLY or an F&A cost ONLY. No final cost objective can be both a direct cost and F&A cost if incurred for the same purpose, in like circumstances, or previously included as either a direct or F&A Cost. *See* OMB 2 CFR 200.414 – Indirect (F&A) costs. Therefore, it is important that the College personnel ensure that all costs are treated consistently.

### Direct Costs

Direct Costs are those costs that can be identified specifically with a particular sponsored project, an instructional activity, any other institutional activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy (*see* OMB 2 CFR 200.413 – Direct Costs). Direct Costs include:

- Costs for personnel who supervise the activities of program staff, or any direct costs for personnel who perform fiscal and reporting activities related to the grant
- Costs for contracted services associated with the administration of the program
- Costs for supplies and materials requested for administrative use
- Other operating costs requested for administrative purposes
- Equipment requested for administrative purposes

### Sponsored Agreements

Typical costs charged directly to a sponsored agreement are the compensation of employees for performance of work under the sponsored agreement, including related fringe benefit costs to the extent they are consistently treated, in like circumstances, by the institution as direct rather than F&A costs; the costs of materials consumed or expended in the performance of the work; and other items of expense incurred for the sponsored agreement, including extraordinary utility consumption.

The cost of materials supplied from stock or services rendered by specialized facilities or other institutional service operations may be included as direct costs of sponsored agreements, provided such items are consistently treated, in like circumstances, by the institution as direct rather than F&A costs, and are charged under a recognized method of computing actual costs, and conform to generally accepted cost accounting practices consistently followed by the institution.

### Direct Cost Allocation Principles

If a cost benefits two or more projects or activities proportionally in a manner that can be determined without undue effort or cost, the cost should be allocated to the projects based on the proportional benefit.

For example, if a professor has documented time and effort that they worked 50% of their time on the Perkins program and 50% of their time on state activities, then 50% of their salary may be charged to the Perkins program, as that is the direct allocable cost chargeable to the Perkins program.

### Facilities and Administrative (F&A) Costs

F&A costs are costs that are incurred for common or joint objectives and, therefore, cannot be identified readily and specifically with a particular sponsored project, an instructional activity, or any other institutional activity. F&A costs are also known as "indirect" costs. (see OMB 2 CFR 200.414 – Indirect (F&A costs))

*Indirect Costs:* another name for F&A costs; are broadly defined as central administrative costs and certain other organization-wide costs that are incurred in connection with a project but that cannot readily be identified with the project. Indirect Costs include:

- costs of operating and maintaining facilities
- general administration and general expenses, such as budgeting, accounting, human resources, legal, and purchasing
- centralized services, such as motor pools and information systems
- personnel and accounting administration

While this handbook provides examples of different types of F&A costs, the College has a negotiated F&A cost rate which includes those items that must be considered F&A costs. Therefore, when determining whether an item is a direct cost or an F&A cost, the College staff must review the College's specific F&A cost rate to properly determine what costs must be F&A Costs. Please contact Financial Services if you have any questions. The College has an approved Federal F&A cost rate. A copy of the F&A agreement is found on Cougar Web.

### Applicable Credits

The term "applicable credits" refers to those receipts or negative expenditures that operate to offset or reduce direct or F&A cost items. Typical examples of such transactions are:

- Purchase discounts
- Rebates or allowances
- Recoveries or indemnities on losses
- Adjustments of overpayments or erroneous charges

This term also includes "educational discounts" on products or services provided specifically to educational institutions, such as discounts on computer equipment, except where the arrangement is clearly and explicitly identified as a gift by the vendor.

### F&A Requirements

Certain program statutes restrict the amount or percentage that can be charged to a project's administration, which may include indirect costs, as specified in the Request for Proposal (RFP) and reflected in the approved project award notification or amendment approval where applicable. The College staff should be aware that if there is a cap on indirect costs, the College will be required to comply with the required limit.

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## DISSEMINATION OF PROJECT RESULTS

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Dissemination of project results and products is extremely important to many funding sources. Most proposals to public sources require dissemination plans which describe what will be disseminated and when, how and to whom information and products will be disseminated.

Project results and materials should be submitted to the funding source and to all individuals involved in the project per the grant agencies requirements. Be sure to keep in mind funding agency publication guidelines.

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## PARTICIPANT SUPPORT COSTS

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Collin College complies with federal regulations ensuring that funds provided for participant costs are separately accounted for and expended for appropriate and intended objectives.

Participant support is provided by several federal agencies and other sponsors. The National Science Foundation has the most restrictive policies governing the budgeting, expending and reporting of these funds.

In general, participants or trainees (but not employees) are the recipients of a service or training provided at a workshop, conference, seminar, symposium, or other short-term instructional or information sharing activity. Participants may include students, national scholars and scientists, private sector representatives, agency personnel, teachers, and others who attend and participate in the conference, workshop or training activity.

Participant supports costs are defined as direct costs for items such as stipends\* or subsistence allowances, travel allowances and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with meetings, conferences, symposia, or training projects (*see* NSF Grant Policy Manual 05-131. July 2005, Section 618.1 and 2 CFR 200.75)

*\*A payment made to an individual to provide for the participant's expenses during the period of the training or other activities. A stipend is not considered compensation for services normally expected of an employee.*

Funds provided for participant support may not be used by the College for other categories of expense without the specific prior written approval of the grant agency. Therefore, the College will set up an account and/or spreadsheet for participant support costs separately from other funds awarded by the grant agency.

Participant support allowances may not be paid to trainees who are receiving compensation, either directly or indirectly, from other Federal government sources while participating in the project. A non-NSF Federal employee may receive participant support allowances from grant funds provided there is no duplication of funding of items, and provided no single item of participant cost is divided between their parent agency and NSF grant funds. Local attendees may participate in conference meals and coffee breaks; however, grant funds may not be used to pay per diem or similar expenses for these participants.

Participant support costs provided by grant agencies other than NSF will follow the same requirements as specified in this policy unless an award specifies otherwise.

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## PROGRAM INCOME

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The College is encouraged to earn income to defray program costs. Program income is income generated by a grant-supported activity or income generated only as a result of the grant agreement during the grant period. The grant period is defined as the time between the effective date and the ending date of the grant award. Grant income will be used to further eligible project or program objectives (*see* OBM 2 CFR 200.307 – Program Income)

Examples of Grant Income include:

- Fees for services performed
- The sale of commodities or items fabricated under a grant agreement
- Payments of principal and interest on loans made with grant funds
- The use or rental of real or personal property acquired with grant funds

Program Income may be used and calculated in three ways:

- Deduction: Program income is deducted from the total allowable costs to determine the net allowable cost, unless federal agency regulations for the program or the grant agreement state another alternative.
- Addition: When authorized by the federal agency, program income may be added to the federal award. When program income is added, it still must be used for the specified purposes and comply with the conditions of the grant.
- Cost Sharing/Matching: When authorized, program income may be used to meet cost-sharing or matching requirements. The amount of the federal award will remain the same if program income is used for cost-sharing or matching purposes.

Program income must be used for current costs unless the federal agency gives other authorization. Program income that was not anticipated at the time of the award will be used to reduce the federal award rather than to increase the funds to the program.

Deduction of program income is the standard requirement unless the grantee obtains approval for another method from the awarding agency.

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## PROJECT PUBLICITY AND PROMOTIONS

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New grant awards are newsworthy. Partners and the community should be notified about the grant award that established the project (if it is a significant award) and the project's activities once implementation has commenced. Work with the College's public relations director to plan press releases and publicity for the project. In addition to external publicity, your project may also be promoted internally through College newsletters and electronic communications via email and the web.

Many funding sources require that any publications or publicity related to the project they are funding should credit the funding source and sometimes may require a disclaimer that opinions expressed in a particular document are the opinion of the writer and not necessarily the opinion of the funding source. Be sure to read terms and conditions and program policies for direction on how the funding source wants this handled.

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## **PROPERTY MANAGEMENT**

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Grant agreements frequently include budgetary authorization for the purchase of supplies and capital outlay (furniture and/or equipment) considered necessary to successfully carry out the purpose of the grant program. Definitions can be found as follows: Property – 2 CFR 200.1, Personal property – 2 CFR 200.1, and Equipment – 2 CFR 200.1.

### Equipment Management Requirements

The College must manage the equipment acquired in whole or in part with grant funds by establishing and using procedures that meet the following requirements (*see* OMB 2 CFR 200.310-316 Property Standards):

- The College shall maintain records for all equipment with a value of \$5,000.00 or more within a fixed asset inventory system that includes:
  - the description of the property
  - the serial number or other identification number
  - the source of funding for the property (including the FAIN)
  - the name of the entity that holds title
  - the acquisition date and cost
  - information from which one can calculate the percentage of federal/state participation in the cost of the property
  - the location and condition of the property
  - any disposition data including date and sale price of the property
- Develop maintenance procedures to keep equipment in good condition; and
- Establish procedures to sell grant-acquired equipment (when authorized or required) to ensure the highest possible return.

### Physical Inventory of Equipment

The College must take physical inventory of grant acquired capitalized equipment every two years. The College then must reconcile those results with property records. Any differences between quantities determined by the physical inventory and the accounting records must be investigated.

### Control System of Equipment

The College must develop a control system to ensure adequate safeguards to prevent loss, damage, or theft of the equipment. Capital outlay items must be properly tagged in order to maintain control and inventory. Any loss, damage, or theft shall be investigated and fully documented.

### Trust

Real property, equipment, intangible property, and debt instruments that are acquired or improved with federal funds must be held in trust by the College as trustee for beneficiaries of the project or program under which the property was acquired or improved.

### Construction

Unless specifically authorized in statute, federal funds may not be used to pay for construction.

### Equipment Usage

The College retains the title to equipment acquired with federal funds. The College is not permitted to charge students or school personnel for ordinary use of equipment purchased with grant funds (*see* OMB 2 CFR Part 200.313 - Equipment). The College may not use equipment acquired with federal

funds to provide services to non-federal outside organizations for a fee that is less than private companies charge for equivalent services, unless otherwise authorized, for as long as the federal government retains an interest in the equipment.

Condition of equipment will be operational unless otherwise noted. When equipment becomes obsolete or damaged, the Collin equipment financial manager is to be contracted

If replacement equipment is needed, the College may trade-in or may sell the equipment and use the proceeds to offset the costs of the replacement equipment subject to grant agency approval.

The equipment must be made available for use on other projects or programs if it will not interfere with the project or program for which it was purchased. The College must use the purchase equipment as long as needed, whether the project or program continues to be supported with federal funds. When no longer needed for the original project or program, the College must use the equipment in connection with its other federally sponsored activities in order of priority:

- activities sponsored by the Federal awarding agency which funded the original project; and then
- activities sponsored by other Federal awarding agencies

### Disposition

When property acquired with grant funds is no longer needed for the original purpose, disposition will be made as follows:

- Items of equipment with a current per-unit fair market value of less than \$5,000 may be retained, sold or otherwise disposed of with no further obligation to the granting agency, except that the granting agency reserves the right to transfer equipment (regardless of how it is classified) to another grantee after the grant period.
- Items of equipment with a current per-unit fair market value of \$5,000 or more may be retained or sold and the granting agency has a right to an amount calculated by multiplying the current market value or proceeds from the sale by the granting agency's share of the equipment. The grantee must notify the granting agency, in writing, of any equipment meeting these conditions to give the granting agency the right to a refund or to transfer the items to another grantee.

Plant Operations needs to inform the Financial Manager and Grant Accountant before disposing of any asset purchased with grant funds.

### Collin Additional Asset Procedures

The Financial Manager (Custodian) and User/Department Acquiring (Equipment Manager) for capital equipment coded to a GR grant- The Fund Manager (usually the Principal Investigator of the grant) is to sign as the Financial Manager on the acquisition form for capital equipment and the Organization Financial Manager (the organization that is actually using the equipment) is to sign as the User/Department Acquiring Item on the acquisition form for capital equipment. This can sometimes be the same manager.

Collin's Chart of Accounts for asset purchases is as follows:

- Grant Non-capital Assets - Unit purchase price must be less than \$5,000. Spend Category SC1001 is for Equipment and Furniture. Spend Category SC1045 is for Computer and Media Equipment. A worktag is included to distinguish purchases above and below \$5,000.

- Capitalized Equipment/Furniture - Unit purchase price must exceed \$5,000 and must have a useful life of more than one year. Spend Category SC1001 is used for Equipment/Furniture and Spend Category SC1045 is used for Computer Equipment. A worktag is used to distinguish purchases over \$5,000

Collin requires the PI to place an informational label (next to the asset tag) on Capital expenditures when received for all Federal, State and Private grants if required by their specific regulations. The Grant Accountant will prepare the label/labels for the PI. The label identifies the source as Federal, State, or Private, the agency and award number.

More detailed Fixed Asset procedures and forms may be found on Cougar Web, My Workplace, Intranet Links (at the right), Business Administrative Services, Fixed Assets.

### Intangible Property

Intangible property means property having no physical existence, such as trademarks, copyrights, patents and patent applications and property, such as loans, notes and other debt instruments, lease agreements, stock and other instruments of property ownership (whether the property is tangible or intangible). Definition 2 CFR 200.1

Title to intangible property acquired under a Federal award vests upon acquisition in the non-Federal entity. See OMB 2 CFR 200.315 Intangible Property.

### Supplies

Per 2 CFR 200.314 Supplies, Title to supplies will vest in the non-Federal entity upon acquisition. If there is a residual inventory of unused supplies exceeding \$5,000 in total aggregate value upon termination or completion of the project or program and the supplies are not needed for any other Federal award, the non-Federal entity must retain the supplies for use on other activities or sell them, but must, in either case, compensate the Federal Government for its share. The amount of compensation must be computed in the same manner as for equipment. See 2 CFR 200.313 Equipment, paragraph (e)(2) for the calculation methodology.

Computing devices means machines used to acquire, store, analyze, process and publish data and other information electronically, including accessories for printing, transmitting and receiving, or storing electronic information. Definition 2 CFR 200.1.

Supplies means all tangible personal property other than those described in 2 CFR 200.1 Equipment. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the non-Federal entity for financial statement purposes or \$5,000, regardless of the length of its useful life. Definition 200.1

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## **SUBRECIPIENT AGREEMENT AND MONITORING**

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Collin County Community College (i.e. Collin College) must on an annual basis ensure that all subrecipients who receive \$750,000 or more in Federal awards during a fiscal year meet the requirements of OMB 2 CFR 200.332 – Requirements for pass-through entities.

Collin College must monitor subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and performance goals are achieved.

Whenever Collin College issues a subaward to another entity, the College must monitor the subrecipient to ensure its compliance with federal laws and regulations. As part of a monitoring program, the College relies on Principal Investigators and departmental staff to review and determine the allowability, allocability and reasonableness of subrecipient project expenses. Although Principal Investigators have primary responsibility for monitoring the technical progress and claimed costs of subrecipients, it is understood that some of this responsibility is frequently delegated to departmental staff or administrators. The following guidance is provided to assist Principal Investigators and those to whom they have delegated this responsibility. These guidelines do not apply to Collin agreements with Vendors.

Subrecipient is a legal entity that receives Federal assistance via a subaward from Collin College to carry out or administer a program, including responsibility for programmatic decision making.

Subaward is defined, for the purpose of this guidance, as the legal agreement between Collin College and a subrecipient that transfers a substantive portion of the scope of work and federal financial assistance funding under an award received by Collin College. A subaward does not involve the procurement of goods or non-research services.

### Federal Regulations

The Federal regulations that describe subrecipient monitoring are general, but contain the following core elements of compliance:

- Advising subrecipients of all applicable federal laws and regulations, and all appropriate flow-down provisions from the prime agreement:
  - The routine receipt and review of Technical Performance Reports
  - The routine review of expenses relative to approved budget
  - The requirement that the subrecipient permit the pass-through entity and auditors to have access to the subrecipient's records and financial statements as necessary for the pass-through entity to meet the federal requirements.
  - The periodic performance of on-site visits, or regular contact, if necessary
  - The option to perform audits or desk reviews, if necessary
  - Review of Single Audit reports filed by subrecipients and any audit findings
  - Review of corrective actions cited by subrecipients in response to their audit findings
  - Consideration of sanctions on subrecipients in cases of continued inability or unwillingness to have required audits or to correct non-compliant actions



## Responsibilities

### *Principal Investigator:*

- The PI, at the time of prime agreement proposal preparation should receive from the potential sub awardee a letter of support/cooperation signed by an authorizing official, a budget, supporting documentation for sub awardee costs, and the agreed upon scope of work. Other information may be required by the sponsor, depending on the proposal preparation guidelines.
- PI's along with Grant Accounting are responsible for ensuring that subaward costs are allowable, allocable, reasonable and appropriate for the work being performed according to requirements of the prime award, federal and state regulations, OMB circulars and Collin College policy, as applicable.
- Once Collin College has accepted an award from a sponsor which contains provision for a subrecipient, the PI will begin the development and negotiation of the subaward and any amendments thereto.
- The grant P.I. will forward a copy of any subrecipient agreement to the Grant Accountant for review before the agreement is signed. At that time, for any agreement, the Grant Accountant will check the SAM.gov website to ensure the subrecipient is not on the debarred or suspended list. This list is located at: <https://sam.gov/content/home> (System for Award Management (SAM)).
- The PI also determines when a subaward is to be amended and is responsible for the amendment preparation.
- The PI must review Technical Performance Reports on a timely basis. Any unusual or unforeseen items should be investigated, and documentation thereof should be retained in the department's files for ready access by regulators. In some cases, subaward terms may require specified deliverables in addition to, or in lieu of, technical reports.
- The PI must ensure that invoiced costs are reasonable, necessary, allowable and within the funding limits of the agreement with the subrecipient, prior to approval of the invoice authorizing payment by Grant Accounting.
- The PI is responsible for understanding the subrecipient monitoring plan contained herein and with assisting Grant Accounting as needed in their monitoring activities.
- The determination of the potential need for a subaward to a business/organization is normally made at the prime proposal stage. This will also include the determination of the nature of the relationship between the parties i.e., vendor vs. subrecipient. The Principal Investigator must be prepared to justify the selection of the potential sub awardee.
- An evaluation of each subrecipients' risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring must be completed. This should be completed at the time the proposal is prepared. If the subrecipient is going to be added after the award is in place, the risk analysis should be completed before the subrecipient agreement is signed.
- The PI is responsible for developing, negotiating and acquiring the appropriate signatures of the subaward document on behalf of Collin College. Any changes to the subaward must be mutually agreed upon in writing by both parties. Under no circumstances should a subrecipient be authorized to start work without a fully executed subaward.

- The PI is responsible for the inclusion in the subaward of all applicable OMB requirements and other applicable regulations, disclosures, and obtaining the proper signatures on the subaward. The requirements can be found at OMB 2 CFR 200.332 – Requirements for pass-through entities.
- The budget for the subaward could include both direct and facilities and administrative (F&A) cost. If F&A costs are included, a copy of the sub awardee’s current, approved federally recognized indirect cost rate Agreement (if applicable) should be provided. If no such rate exists, either a rate negotiated between the pass-through entity and the subrecipient (in compliance with federal guidelines), or a de minimis indirect cost rate as defined in OMB 2 CFR 200.414 – Indirect (F&A) costs, paragraph (f).
- The scope of work must outline the work to be accomplished by the sub awardee and identify deliverables, products or expected outcomes that support the overall project.
- The PI is responsible for all negotiation of the subaward and any changes to the subaward document requested by the sub awardee. The subaward document must be reviewed and approved by the College President or their designee with the involvement of Grant Accounting and if necessary, legal counsel. Once signed, the Grant Accountant will post any agreement that is over \$25,000 on the Federal Funding Accountability and Transparency Act (FFATA) website.

*Grant Accountant:*

- Review subrecipient requests and source documentation for payment along with the PI to ensure that the expenditures conform to the terms and conditions of the subaward.
- Notify prime agencies (for which Collin College is the subrecipient) that a Single audit was conducted. The Single audit must have been completed within nine months of year end. The notification shall disclose whether there were any applicable findings related to the prime agency’s award.
- Prepare and execute the Subrecipient Monitoring Plan.

Subrecipient Monitoring Plan

This plan includes, but is not limited to:

- Identifying subrecipients receiving federal pass-through funds and the amount of each subaward
- Sending out the annual subrecipient audit verification letters and forms (discussed below)
- Following up on subrecipients that do not respond to the audit requests
- Establishing criteria to identify when subrecipient audit findings are significant enough to warrant further review, or site visits and/or sanctions (discussed below)
- Identifying subrecipient organizations that will be visited or reviewed further (discussed below)
- Issuing a management decision for audit findings pertaining to the Federal award provided to the subrecipient from the pass-through entity as required by OMB 2 CFR 200.521 – Management decision. Must be submitted to Business Administration management for approval before sending to subrecipient.

**Annual Subrecipient Audit Verification**

On an annual basis, Collin College will verify that subrecipient organizations have completed their Single Audit, as applicable. Grant Accounting will send the Subrecipient UGG Single Audit Certification letter to Collin College’s federally funded subrecipients:

### **Subrecipient Audit Findings Follow-up**

Grant Accounting will obtain and review the responses from the subrecipients. If Grant Accounting has concerns regarding the audit report or the corrective action plan(s), the subrecipient will be contacted to resolve those issues. If the subrecipient does not respond to Grant Accounting's concerns in a timely manner, Grant Accounting will present the issues to the PI and Business Administration management.

When any of the following conditions are present in the subrecipient's Single Audit report, PI and Business Administration management must be notified to determine appropriate course of action:

- control weakness
- subrecipient refuses to provide requested audit confirmations and/or audit reports

When such conditions are present, Grant Accounting and Business Administrations management will determine an appropriate course of action which may include one or more of the following:

- Determining the adequacy of the subrecipient's corrective action plan
- Facilitating an audit of the subrecipient's project related records
- Suspension of payments, requesting refunds, or revocation of the subrecipient agreement

### **Subrecipient Site Visits/Further Review**

On an annual basis, Collin College may select subrecipients for which site visits and/or expenditure reviews may be performed. A risk-based approach will be used to select the subrecipients that will be reviewed and/or visited. The following criteria will be used when making this determination:

- Dollar amount of the award
- Award complexity, sensitivity of the work and/or extensiveness of the governing regulations
- Inherent risk given the nature of the research
- Sophistication of the subrecipient's systems and administrative operations
- Prior experience with the subrecipient including the extent and severity of past audit findings
- Location of the subrecipient
- Degree of oversight by auditors and sponsor agencies

### **Record Retention**

Subrecipients are required to retain supporting documentation for at least three (3) years after the final closeout of the prime award unless the prime award document indicates a longer period.

### **Fixed Amount Subawards**

Per 2 CFR 200.333 Fixed amount subawards, with prior written approval from the Federal awarding agency, a pass-through entity may provide subawards based on fixed amounts up to the Simplified Acquisition Threshold, provided that the subawards meet the requirements for fixed amount awards in 200.201- Use of grant agreements (including fixed amount awards), cooperative agreements, and contracts.

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## **TIME AND EFFORT DOCUMENTATION**

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Time and effort reporting is the reporting and confirming of an individual's actual time spent on and identified to grants, instruction, administrative and other institutional activities for which one is compensated and is considered the institutional base salary or appointment. Time and effort reporting accounts for the time in percentage spent on federal awards relative to the time spent on total institutional activities. Time and effort may include activities from more than one grant as well as from non-sponsored program activities such as regularly assigned Collin –funded duties. It consists of both funded and non-funded commitments (cost share). It is NOT based on a standard 40-hour workweek.

Time and effort reporting is important for the following reasons:

- Documentation is needed per OMB 2 CFR 200.430 – Compensation – personal services
- To ensure that labor costs charged to grants are consistent with the effort expended
- To ensure that labor charges to sponsored agreements are properly documented

The time and effort report certifications will be prepared by the Grant Accountant and forwarded to the PI for completion. The original certification form will be filed in the program office. A signed, scanned copy will be forwarded to grant accounting.

The Time and Effort Certification guidelines are as follows:

- Certifications shall account on an after-the-fact basis for 100% of activities and coincide with one or more pay periods, excluding extended contracts for work beyond regular assignment. The form must account for all time and effort for which the college compensates the employee. Even if the number of hours worked for the week exceed the normal 40 hours, the effort percentages must be based on total effort, not the number of hours.
- Time and effort distributions should be reasonable estimates of activities.
- Time and effort and payroll distributions are not the same thing. The time and effort reporting process is a method for certifying charges made to grant awards and for certifying that the time and effort expended is at least equal to the salary paid. Payroll distributions are used initially as a baseline for time and effort distributions and are a reminder of what activities the individual has done. The payroll-based effort shall be adjusted to report the time and effort distributions certified on the PAR if the percentages are less or more than the shown payroll distributions.
- The form must be certified by the employee whose time and effort is being reported or by a responsible person with access to verifiable information on how the individual's time and effort was expended. Employee and/or PI are responsible to keep suitable records as a means of verification that the work was performed as certified.
- Mandatory and voluntary committed cost sharing must be reported. There may be some cases when there is some or all time and effort that an employee expends on a specific grant that is not funded by the grant but is required or where the employee has committed to uncompensated effort to the grant. In these cases, the time and effort shall be reported as cost sharing on the PAR form.
- The total of the time and effort percentages posted on the form must equal 100%.

Time and effort and the corresponding salary distributions should be reviewed and adjusted to actual on a regular basis. Collin College grant employees will certify the forms on an after-the-fact monthly basis.

Part-time employees that work only on one grant do not need to complete a form. Collin will use their Workday reports to document their time and effort.

Extended (special services) contracts for work in excess of regular workload are not included in the 100% effort. A form will not be completed for extra service pay. The faculty load or agreement will be used instead. A copy of the Extra-Services faculty load or Agreement with employee and supervisor signatures should be forwarded to Grant Accountant. The PI should keep the original for their files.

**Do not certify a form unless the time and effort is appropriate.** Once you have certified a form, you have verified that the time worked is correct. Cost transfers will not be made on a certified form except under unusual conditions and the request to correct is attached to the certification.

## TRAVEL

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Employee's using grant funds are to follow Collin's Professional Development Travel and Local Travel policies or the grant agencies' policies, whichever is more stringent. Example: Federal grant awards may require travelling at the federal lodging and per diem rates. Per diem amounts are published by the General Services Administration and are specific to major cities. A deduction from the daily per diem is made for meals provided at a conference or business meeting. Seventy-five (75%) of the daily per diem allowance is provided on days of travel. The most current written Collin Travel policies may be found on CougarTravel at <https://cougarweb.collin.edu/web/home-community/my-workplace>. Please see Collin Travel policies and grant agency for allowable travel expenses.

The following travel expenses are normally unallowable when traveling using grant dollars (used Perkins Basic RFA for information):

- Alcoholic beverages
- Any expenses for other persons
- Automobile mileage or taxi fares for other than official business
- Costs related to training or technical assistance on grant writing or obtaining funds
- Costs that are not reasonable and necessary to meet the objectives of the grant
- Entertainment, recreational or social events
- First-class air fair
- Foreign Travel
- Per diem (meals and lodging) for meeting participants who live in the same city as the event is held
- Personal accident insurance or personal effects coverage for rental cars
- Rental car for personal use or for purposes not associated with official grant business
- Tips or gratuities
- Travel allowances where per diem is paid to the employee regardless of the amount expended

Travel costs must have the source documentation required by Collin policy or the grant agencies' policy (whichever is more stringent) in order to be reimbursed.

Carl Perkins grant awards do not allow travel costs to be charged to the grant for executive officers (including the president, vice presidents and deans) or administrative support staff.

It is the responsibility of the employee traveling using Grant funds to be sure they understand the travel policies for that grant and Collin's travel policies.

This Grant Management Handbook is available to all staff and can be found at: [http://inside.collin.edu/businessoffice/grants\\_and\\_contracts.html](http://inside.collin.edu/businessoffice/grants_and_contracts.html)

The Collin travel policies including local travel is available at CougarTravel: <https://cougarweb.collin.edu/web/home-community/my-workplace>

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## **COMPLETING AND CLOSING OUT A PROJECT**

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Finishing a grant project is just as important as starting one. In many cases, the way in which closeout procedures are handled can have a direct effect on the chances for future funding. Most funding agencies have required processes associated with closing out grant projects. The PI will need to complete all closeout activities prior to his/her last day paid from the grant.

- determine approximately 60 days prior to the termination date of the grant or contract if a request for a No-Cost Extension should be, or has been filed
- finalize all expenditures - Expenditures at the end of the grant may be disallowed by auditors if they occur too late in the program to be legitimately needed by the project
- resolve all outstanding encumbrances - Large purchases at the end of the grant are usually not appropriate; confirm the date all final paperwork is due
- complete appropriate transfer or disposition of property
- subgrant closeout – same procedure that applies to the principal grant should be used in the closeout of sub-grants
- ensure all publications funded by the project credit the funding source
- confirm the date all final paperwork is due
- complete termination paperwork for all staff and, if required, payroll changes for staff members transferred to other organizations
- prepare final summary as required by the grant or contract
- secure record retention of electronic and paper files

This checklist is designed to serve as a general guide to the PI to assist in completing the grant closeout process. Individual grants may have requirements that extend beyond or differ from this checklist. Transfer or disposition of property purchased through the grant should follow the agency and Collin requirements and should be reviewed by Grant Accountant before transfer or disposition is completed. If there are questions regarding closeout requirements for a specific grant, PIs and their administrators should consult with Grant Accountant.

Grant Accountant is responsible for meeting the financial closeout requirements of all grants and will contact the PI as needed. Closeout of a grant does not automatically cancel any requirements for accountability, record retention or financial accountability. Following closeout, the grantee remains obligated to return funds due as a result of later refunds, corrections or other transactions. Subject to recovery amounts are based on the results of an audit covering any part of the grant period. See 2 CFR 200.344 – Closeout for additional information.

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## **RECORD RETENTION**

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Any activities undertaken during the project and all expenditures incurred become part of the records, or documentation. In evaluating the project, the funding source will want to know exactly what was done, when and how it was done, and how much money it cost. Accurate and complete records are a must; these records will support the college during a monitoring visit from funding agency representatives, in the evaluation of the project, during the college's regular annual financial audit, or a funding agency audit. The following are some of the records that must be maintained as part of the project:

- Time and Effort Documentation (see Time and Effort Documentation section)
- Cost Sharing, Matching or Leveraged Resources (see Cost Sharing, Matching, or Leveraged Resources section)

The terms of the award will stipulate the length of time for which financial records, supporting documentation, statistical records and other records pertinent to the award must be maintained. Collin College will retain single and multi-year grant records per funding agency requirements. All record and documents will be retained for the required number of years from date the final report is submitted.

### Requests for Transfer of Records

Per 2 CFR 200.335 Requests for transfer of records, The Federal awarding agency must request transfer of certain records to its custody from the non-Federal entity when it determines that the records possess long-term retention value. However, in order to avoid duplicate recordkeeping, the Federal awarding agency may decide for the non-Federal entity to retain any records that are continuously needed for joint use.

### Methods for Collection, Transmission and Storage of Information

Per 2 CFR 200.336 Methods for collection, transmission, and storage of information, In accordance with the May 2013 Executive Order on Making Open and Machine Readable the New Default for Government Information, the Federal awarding agency and the non-Federal entity should, whenever practicable, collect, transmit, and store Federal award-related information in open and machine-readable formats rather than in closed formats or on paper. The Federal awarding agency or pass-through entity must always provide or accept paper versions of Federal award-related information to and from the non-Federal entity upon request. If paper copies are submitted, the Federal awarding agency or pass-through entity must not require more than an original and two copies. When original records are electronic and cannot be altered, there is no need to create and retain paper copies. When original records are paper, electronic versions may be substituted through the use of duplication or other forms of electronic media provided that they are subject to periodic quality control reviews, provide reasonable safeguards against alteration, and remain readable.

### Access to Records

Per 2 CFR 200.337 Access to records, The Federal awarding agency, Inspectors General, the Comptroller General of the United States, and the pass-through entity, or any of their authorized representatives, must have the right of access to any documents, papers, or other records of the non-Federal entity which are pertinent to the Federal award, in order to make audits, examinations, excerpts, and transcripts. The right also includes timely and reasonable access to the non-Federal entity's personnel for the purpose of interview and discussion related to such documents.



The rights of access in this section are not limited to the required retention period but last as long as the records are retained. Federal awarding agencies and pass-through entities must not impose any other access requirements upon non-Federal entities.

#### Restrictions on Public Access to Records

Per 2 CFR 200.338 Restrictions on public access to records, no Federal awarding agency may place restrictions on the non-Federal entity that limit public access to the records of the non-Federal entity pertinent to a Federal award, except for protected personally identifiable information (PII) or when the Federal awarding agency can demonstrate that such records will be kept confidential and would have been exempted from disclosure pursuant to the Freedom of Information Act (5 U.S.C. 552) or controlled unclassified information pursuant to Executive Order 13556 if the records had belonged to the Federal awarding agency. The Freedom of Information Act (5 U.S.C. 552) (FOIA) does not apply to those records that remain under a non-Federal entity's control except as required under §200.315 Intangible property. Unless required by Federal, state, local, and tribal statute, non-Federal entities are not required to permit public access to their records. The non-Federal entity's records provided to a Federal agency generally will be subject to FOIA and applicable exemptions.

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## **OTHER CONTRACT REQUIREMENTS**

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In addition to other required provisions, all contracts made by the non-Federal entity under the Federal award must contain certain provisions per Appendix II to Part 200 – Contract Provisions for Non-Federal Entity Contracts Under Federal Awards. Below are the provisions that must be included with most of Collin’s Federal awards:

### Federal Funding Accountability and Transparency Act (FFATA)

Prime Grant Recipients awarded a Federal contract or order that is subject to Federal Acquisition Regulation clause 52.204-10 (Reporting Executive Compensation and First-Tier Subcontract Awards) are required to file a FFATA (Federal Funding Accountability and Transparency Act) subaward report by the end of the month following the month in which the prime recipient awards any subgrant (subaward) greater than \$25,000. The report is made available to the public via a single, searchable website, which is [www.USASpending.gov](http://www.USASpending.gov). A copy of the signed subaward agreement will be used by the Grant Accountant to enter the information.

### Debarment and Suspension

The College shall comply with OMB 2 CFR 200.214 Suspension and debarment requirements to comply with Federal agency regulations in accordance with E.O.’s 12549 and 12689 ‘Debarment and Suspension’. Under those regulations, certain parties who are debarred, suspended, or otherwise excluded may not be participants or principals in Federal assistance awards and subawards, and in certain contracts under those awards and subawards. No contract greater than \$25,000 will be made to parties listed on the General Services Administration’s (GSA) Excluded Parties List System (EPLS). This list is located at: <https://sam.gov/content/home>(System for Award Management (SAM)). Contracts are made only with responsible contractors who currently possess the ability to perform successfully under the terms and conditions set by the Purchasing Department. Consideration is given to matters as contractor integrity, record of past performance and conflict of interest.

### Equal Opportunity Employer - EOE

Collin County Community College District (Collin College) is an equal opportunity employer and does not discriminate based on race, color, religion, gender, national origin, age, disability or veteran status.

Collin College is committed to the Affirmative Employment Plan and adheres to the policy that no discrimination based on race, color, religion, gender, national origin, age, disability or veteran status will exist in any area of employment practices at Collin College. Efforts and programs are directed toward expanding employment opportunities for individuals in protected groups, and preventing the development of policies and practices which may exclude or limit employment of individuals belonging to statutorily protected groups. (See Cougar Web Human Resources site for more information and written procedures on how to file a discrimination complaint)

## **Equal Employment Opportunity is THE LAW – DOL Poster**

### Americans with Disabilities Act - ADA

When an employee needs accommodations under the Americans with Disabilities Act (ADA), such as ASL interpreters or specialized equipment, the employee and/or hiring department should contact the Director of HR Information and Services in order to begin the process of determining eligibility for accommodations.

#### Approval Process:

- The employee must provide documentation of the disability to the Director of Human Resources Information and Services, who will determine if the employee's request is covered by the ADA.
- If eligible for accommodations, HR will work with the employee to determine the type of accommodation(s) needed that will enable the employee to accomplish the essential functions of the job.
- If approved, HR will plan for any accommodations that involve modifications to facilities, office furniture or the purchase of equipment.

*See Cougar Web Human Resource site.*

### Jobs for Veterans Act – Pub L 107-288

The Jobs for Veterans Act requires priority of service to veterans and spouses of certain veterans for the receipt of employment, training, and placement of services in any job training program directly funded in whole or in part, by DOL. The regulations implementing this priority of service can be found at 20 CFR Part 1010. In circumstances where a grant recipient must choose between two qualified candidates for training or a service, one of whom is a veteran or eligible spouse, the Veterans Priority of Service provisions require that the grant recipient give the veteran or eligible spouse priority of service by admitting him or her into the training program or providing that service. To obtain priority of service a veteran or spouse must meet the program's eligibility requirements. For more information, *See* ETA Training and Employment Guidance Letter (TEGL) No. 10-09 at [http://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=2816](http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=2816).

Please review Appendix II to Part 200 for a complete list of required contract provisions and when they apply.

## TERMINOLOGY

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UNIFORM GRANT GUIDANCE – SEE SUBPART A OF 2 CFR 200 FOR FEDERAL DEFINITIONS

**501 (c)(3):** the section of the Internal Revenue tax code that defines the nonprofit, charitable (as broadly defined), tax-exempt organizations. Contributions made to these organizations are tax-exempt for the donors. To convey that status, they often represent themselves as 501 (c)(3) organizations, rather than merely nonprofit organizations

**Abstract:** summarizes the purpose, importance and scope of the proposed project

**Accessibility:** the extent to which programs or services can be reached or obtained by those who want or need them

**Accrual:** the method of recording revenues in the period in which they are earned, regardless of when cash is received, and reporting expenses in the period when the charges are incurred, regardless of when payment is made

**Activity:** the functional elements of a program

**Administrative Action:** a post-award administrative request to modify the conditions of the original grant. An administrative action may be monetary or non-monetary and may require prior approval from the Department

**Administrative Costs:** are all direct and indirect costs associated with the management of grant programs. They often are capped by the grantor at a certain percentage of the grant

**Allowable costs:** a cost for which an institution or agency may be reimbursed under a grant or contract with a governmental agency. OMB Circular defines allowable costs as those that are: 1) reasonable; 2) allocable to the project; 3) given consistent treatment by the generally accepted accounting procedures; and 4) conform to any limitation or exclusions set forth by the sponsored agreement or OMB Circular.

**Amendment:** term for amended or revised application

**Applicant:** a party requesting a grant

**Application:** a request for financial support of a project or activity submitted to a funder

**Application Number:** when an application has been successfully submitted to a funder and the funder assigns a unique number to that application. Applicants should keep a record of the application number and reference it when communicating with the funder

**Application Package:** a package that contains the application notice for one or more discretionary grant or cooperative agreement programs and all the information and forms needed to apply for those programs

**Appropriations Legislation:** a law passed by Congress to provide a certain level of funding for a grant program in a given year

**Assurances:** a listing of a variety of requirements, found in different Federal laws, regulations, and executive orders that applicants agree to by signature in an application

**Audit:** an examination of grant records and financial accounts for accuracy and legal compliance which may lead to recommendations for corrective action

**Authorized Official:** the individual, named by the applicant organization, who is authorized to act for the applicant and to assume the obligations imposed by the laws, regulations, requirements, and conditions that apply to grant applications or grant awards

**Award:** an award is a funder's agreement to contribute funding to a specific project. When a funder approves an award, a formal notice is sent to the recipient. This notice may include funding mechanisms such as grants, cooperative agreements, interagency agreements, contracts, and/or other agreements

**Awarding Agency:** is the Federal government or the next highest authority, i.e., the State agency administering the formula award or the Federal agency administering the discretionary award

**Award Notification:** an official document signed, by the funder, stating the amount and the terms and conditions of an award

**Award Number:** the identifying number for a discretionary grant or cooperative agreement award, issued by the funder

**Baseline Data:** the Initial information on program participants or other program aspects collected prior to receipt of services or program intervention. Baseline data are often gathered through intake interviews and observations and are used later for comparing measures that determine changes in your participants, program, or environment

**Block Grants:** formula funds that are not allocated to a specific category and are more flexibly distributed. Usually awarded to the States to aid State and local units of government for programs in accordance with legislative requirements

**Budget Adjustment or Modification:** Administrative changes made to the project budget. Amendments require Grant Accountant approval and frequently require funding source approval.

**Budget Category:** A portion of the budget designated for certain types of expenditures such as salaries, fringe benefits, travel, equipment, materials and supplies, participant support, subgrants or subcontracts, printing costs, indirect costs, etc.

**Budget Cycle:** The annual fiscal (for example, July 1 through June 30) period. The length of time the award is active. Every award should have specified beginning and ending dates. All expenditures must be incurred or encumbered during this period. If expenditures fall outside this period, they cannot be reimbursed. In some cases, the funding agency may approve pre-award costs.

**Budget Justification:** narrative providing details on the use of and need for costs presented in an itemized budget

**Budget Period:** an interval of time into which a project period is divided for budgetary purposes, usually twelve months. The budget period may be equal to or shorter than the project period for an award, but cannot be longer than the project period

**Budget:** the financial expenditure plan for the grant-supported project or activity. The budget consists of funder (grant) funds and, if required by the funder, grantee participation in the form of matching or cost sharing

**Capital Equipment:** An article of property that is not permanently attached to buildings or grounds and that has an acquisition cost of \$5,000 or more (including sales and/or use tax, freight, and installation) and a life expectancy of one year or more.

**Carry Forward or Carry Over:** An un-obligated balance from a prior Award period, which the funding source approves to be added to the subsequent Award budget.

**Cash Basis:** the method of reporting revenues and expenses when cash is received or paid out

**Cash Contributions:** the recipient's cash outlays for budgeted project activities, including the outlay of money contributed to the recipient by third parties

**Catalog of Federal Domestic Assistance (CFDA Number):** a publication, and database, that lists the grants and assistance programs of all Federal agencies and gives information about a program's authorization, fiscal details, guidelines, eligibility requirements, program contacts, application and award process. The program's CFDA number is required on grant application forms.

**Certification:** a statement, signed by an applicant or grantee as a prerequisite for receiving Federal funds, that it 1) meets or will adhere to certain conditions and 2) will undertake or not undertake certain actions

**Closeout:** the process in which the awarding agency determines that all applicable administrative actions and all required work of the award have been completed by the recipient and the awarding agency. *This is the period AFTER the OBLIGATION period ends*

**Code of Federal Regulations (CFR):** a compilation of all final regulations issued by Federal agencies, published annually and divided by numbered "Titles."

**Cognizant Agency:** the Federal agency which, on behalf of all Federal agencies, is responsible for implementing the requirements of the Single Audit Act which include: reviewing, negotiating, and approving cost allocation plans, indirect cost rate and similar rates; receiving and approving non-federal audit reports; conducting federal audits as necessary; and resolving cross-cutting audit findings

**Cohort:** Population such as Upward Bound students that participate together in a program. Usually, programs with cohorts involve tracking and reporting of individual member progress.

**Collaboration:** Partnership in which key personnel from different institutions have substantial involvement in the development and performance of the project and the funding source makes only one award. The lead institution issues subcontracts or subgrants to the other collaborating institutions.

**Co-Mingling of Funds:** unallowable mixing of funds from more than one source in the same grant budget account

**Consortium:** A group of organizations sharing in the finances and/or administration of a single grant to accomplish that which no one can do as effectively as when working together.

**Consultant:** an individual who provides professional advice or services

**Contracts:** are entered into by the awarding agency, recipients or subrecipients, and commercial (profit-making) and non-profit organizations. Except for a few justified sole-source situations, contracts are awarded via competitive processes to procure a good or service

**Contact person:** the representative of the funder for the grant program, and may also serve as the program administrator or grant officer

**Continuation Grant:** a continuation grant provides additional funding for budget periods after the initial budget period

**Continuation / Renewal Proposal:** Additional funding increments for projects beyond the original grant period. See funding source guidelines for submission requirements

**Contract:** Agreement to acquire services that benefit the project. Contracts normally contain the following elements: 1) detailed financial and legal requirements must be included with a specific statement of work to be performed; 2) specific set of deliverables and/or reports; 3) separate accounting procedures are required; 4) legally binding contract clauses must be included; 5) benefits of the project accrue to the funding source and the college, and to the nation (in the case of federal grants)

**Contracted Services:** fees paid by a government agency, business, nonprofit agency or other organization to an organization for delivery of a service or program

**Cooperative Agreement:** An agreement over which the funding source has control and oversight of the work that is contracted. Involves substantial involvement between the agency and the recipient

**Copyright:** A statement of legal control over a document (usually by its author) that requires anyone seeking to reproduce the document to first obtain permission of the copyright holder.

**Cost Reimbursement Contract/Grant:** Agreement in which reimbursement payments are based on actual allowable costs which have been incurred in performance of the work

**Cost-Share:** the portion of program costs contributed by a grant applicant. Cost-sharing uses funds other than federal and is required by a grant program to pay the percentage of project costs not covered by the grant. Cost-sharing is also called "match" and is either a statutorily specified percentage of program costs that must be contributed by a grant applicant in order to be eligible or where the applicant voluntarily shares in the costs of the program

**Culture:** the shared values, traditions, norms, customs, arts, history, institutions, and experience of a group of people. The group may be identified by race, age, ethnicity, language, national origin, religion, or other social category or grouping

**Data:** specific information or facts that are collected. A data item is usually a discrete or single measure. Examples of data items might include age, date of entry into program, or reading level. Sources of data may include school records, case files, attendance records, referrals, assessments, interviews, and the like

**Deadlines:** Date and time by which applications for grants or contracts must be submitted. Pay close attention to whether the deadline is "to be received at the agency" by the deadline or "postmarked" by the deadline and whether deadline is local time or time at the funding source's location

**Debarment:** the ineligibility of a recipient to receive any assistance or benefits from the Federal government, either indefinitely or for a specified period, based on legal proceedings taken pursuant to regulations contained at 2 CFR Parts 180 and 3369

**Deliverables:** those products that are produced by a grant project. They may be quantified achievement, i.e., enrollments, or singular outcomes, i.e., a curriculum

**Demonstration Grant:** A grant made to fund an innovative project of limited duration which seeks to test the feasibility of an idea, approach or program with the intention of duplicating the project elsewhere

**Demonstration grant:** a grant made to fund an innovative project with the intention of duplicating the project elsewhere

**Design:** the plan and specification of the approach expected in a particular application. The design describes how you plan to measure program/project outcomes and how you plan to use the resulting measurements

**Direct Cost:** specific and identifiable costs of project operation. Those costs related to the actual conduct of a research project (salaries, fringe benefits, consultants, equipment, supplies, travel, patient costs, animal costs, human subject costs, publication costs, service contracts). Direct costs are usually itemized in grant application budgets. See Indirect Costs

**Disallowed Cost:** Expenditures questioned in an audit as not allowable for the project and will not be reimbursed by the funding source. Finding may result in repayment to funding source if reimbursement for expenditures already occurred

**Dissemination of Project Results:** Strategies to let colleagues or organizations know about the results of a grant project. Examples include websites, publications, published articles, conference presentation, workshops, etc.

**Discretionary Awards:** made to States, units of local government, or private organizations at the discretion of the awarding agency. Most discretionary awards are competitive in nature in that there are limited funds available and many potential recipients

**DUNS Number:** a Data Universal Numbering System (DUNS) number, a unique identifier available to organizations by registering with Dun and Bradstreet

**Earmark:** requirement by Congress that a Federal agency set aside funds within an appropriation for a stated recipient or purpose. Also known as "pork barrel spending"

**Effort:** the amount of time, usually expressed as a percentage of the total that a faculty member or other employee spends on a project. Does not include work done for supplemental pay

**Effort Certification:** Certification required by Federal regulations for all employees working on federally sponsored projects/grants. The percentage of effort reported for the period serves to substantiate the salaries and wages charged to federal grants

**Employer Identification Number:** the Employer Identification Number (EIN) is a 9-digit number assigned by the Internal Revenue Service

**Encumbrance:** an obligation in the form of a purchase order, or commitment which is chargeable to a grant award and for which part of the awarded amount is reserved. It ceases to be an encumbrance when paid in full

**Equipment:** defined in Federal terms as the tangible, non-expendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit

**Evaluation:** the process of collecting and analyzing data on various aspects of a program, usually for the purpose of program planning and goal setting, improving processes and outcomes, securing and allocating resources. Includes formative (collecting and analyzing data to focus on "what's working and what needs to be improved") and summative (collecting and analyzing to investigate "what's been achieved" in a program)

**Expanded Authority Grant:** Policy implemented by some federal granting agencies which delegates certain prior approval authorities to grantee institutions. This delegation allows for internal college approval of administrative and spending actions, thus avoiding delays in project progress.

**Expiration Date.** The date specified in the grant award notification after which expenditures may not be charged against the grant unless to satisfy obligations committed before that date.

**External Evaluator:** A Professional external to the project with the background and qualifications to conduct a high-quality evaluation based on the project requirements. Most external evaluators are external to the College and are hired with a Professional Services Contract. However, some



programs consider the evaluator to be external if they are external to the project. In these situations, the external evaluator could be a College employee or a former employee.

**Facilities and Administrative (F&A) Costs** – Costs that are incurred for common or joint objectives and therefore cannot be identified readily and specifically with a particular project, an instructional or any other activity are designated F&A. These costs are synonymous with “indirect” costs, as used in OMB 2 CFR 200.414.

**Fiscal Year (FY):** the 12-month accounting period at the end of which the books are closed for an agency or governmental unit

**Formative Evaluation:** Type of project evaluation that is conducted throughout the implementation of the project activities. Results are used to assess progress, identify potential or actual problems, and formulate and implement corrective action.

**Formula Grants:** Funds distributed by the Federal government (usually to state agencies) for use in specified projects. The funds are awarded based on demographic and economic data from which a formula has been computed.

**Fringe Benefits:** Benefits such as life and health insurance, retirement, unemployment compensation and workers compensation that are paid in addition to salary. Benefit packages can change yearly.

**Full Time Equivalent:** The amount of time spent or required in a less than full time activity divided by the amount of time normally spent or required in a corresponding full-time activity during the regular school term. (Also referred to as a regular budgeted position)

**Funder:** the governmental unit, foundation or other entity that awards grants

**Funding Cycle:** the schedule of events starting with the announcement of the availability of funds, followed by the deadline for submission of applications, review of applications, award of grants and release of funds

**Funding priorities:** a means of focusing a competition on the areas in which the agency is particularly interested in receiving applications; priorities take the form of specific kinds of activities that applicants are asked to include in an application to receive preference in the review process; the U.S. Department of Education has the following classifications for priorities:

- **Absolute priorities** are those which the applicant must address to be considered for funding.
- **Competitive priorities** are optional and may provide bonus points or be given some other advantage in funding.
- **Invitational priorities** also are encouraged, but not required. The only advantage they offer is serving as a tiebreaker between proposals with the same score.

**General/operating support:** a grant made to further the general purpose or work of an organization, rather than for a specific purpose or project; also called an unrestricted grant.

**Gift:** Contribution from a private, non-governmental source, made without expectation of any product or service of a tangible or intangible nature in return

**Grant:** Funding award made based on a submitted proposal, usually in response to application guidelines. An agreement to accomplish something for the public good in exchange for money, property or services.

**Grant Administrator:** the member of the Federal organization who has the official responsibility for administering the award, e.g., for negotiating budget revisions, overseeing the submission of required reports, and ensuring compliance with the terms and conditions of the award.

**Grant Application:** The proposal instructions developed by a funding source that must be followed by applicants developing a proposal for consideration for funding.

**Grant Agreement:** a grant agreement is a legal instrument for the transfer of funds from the funder to the grantee and which sets forth the terms and conditions of the award.

**Grant Award Notification (GAN):** an official document signed by a program official who is authorized to obligate the Department in financial matters. The GAN states the amount and the terms and conditions of an award for a discretionary grant or cooperative agreement.

**Grant Period:** the period that extends from the effective date through the expiration date.

**Grant Proposal:** plan written about a project or program to secure funding to accomplish its objectives. Typically, grant proposals are written in response to and in accordance with a grant application or set of instructions and must be submitted by a specific deadline. All proposals require institutional approval by an official with the authority to commit college and district resources. Most grant competitions are very competitive

**Grant Writer:** Principal author of a grant proposal

**Grantee:** an organization that has been awarded financial assistance for a project. The grantee is the entire legal entity even if a particular component (e.g., department, office, or agency) carries-out the grant -funded activities. The grantee is legally responsible and accountable to the funder for the performance and financial aspects of the grant supported project or activity.

**Grantor:** a governmental unit, foundation, or other entity that awards grants.

**Human Subjects Research:** Research and grants projects involving human participants whose rights must be protected. The protection of Human Subjects is overseen by the Institutional Review Board.

**Indirect Costs (IDC):** Overhead and administrative costs which cannot be identified specifically with a particular program, project, or activity. They are costs that are incurred for several purposes which are necessary to the operation of the institution or agency. For example, space, utilities, custodial services, security, library services, animal facilities, information systems, shared research facilities, institutional review board, institutional animal care and use committee, biosafety, payroll, purchasing, grant management, library resources, building maintenance, and general administration. Negotiated indirect cost rate agreement approved by a cognizant federal agency is used for all federally funded projects, as allowed. *See* Facilities and Administration costs

**Indirect Cost Rate Agreement:** a formalized, written, and signed agreement between a recipient and the cognizant federal agency that specifies the treatment of indirect costs. The agreement includes, at a minimum, the approved rate(s); base(s) to which the rate(s) apply; applicable fiscal year; specific treatment of certain items of cost; general terms and conditions; and any special remarks. The rates and cost treatment laid out in the agreement are accepted and used by all federal agencies unless prohibited or limited by statute,

**Indirect cost rate proposal:** the documentation prepared by an organization to substantiate its claim for the reimbursement of indirect costs; this proposal provides the basis for the review and negotiation leading to the establishment of an organization's indirect cost rate.

**In-Kind:** the value of noncash contributions provided by third parties or the grantee. In-kind contributions may be in the form of charges for real property and equipment or the value of goods and services directly benefiting and specifically identifiable to the project.

**Informed Assent:** Process of letting potential participant under 18 years of age know about the project as described in informed consent (see below) and obtaining their agreement to participate in the project.

**Informed Consent:** Process of letting potential participants in grant-funded projects and research studies know the project purpose, methodology, risks/benefits, data confidentiality, withdrawal rights, contact information about project leaders, etc. and obtaining their consent. If participant is under 18 years of age, parent or legal guardian must give consent.

**Intergovernmental Agreement:** agreement between two governmental entities which must have statutes in it required by law

**Journal Vouchers:** an accounting entry for the recording of certain transactions, corrections or information. The journal voucher usually contains an entry or entries, explanations, references to documentary evidence supporting the entry or entries, and the signature or initials of one or more property authorized officials.

**Key Personnel:** the individuals who contribute to the development or execution of a project in a substantive, measurable way, whether they receive salaries or compensation under the grant. Consultants also may be considered key personnel if they meet this definition. "As needed" is not an acceptable level of involvement for key personnel.

**Letters of Commitment:** letters-of-commitment specifically list services, money or other inputs promised to the project by partner organizations.

**Letters of Support:** letters-of-support are written endorsements of an application for funding; they are provided by organizations or individuals who are familiar with the applicant's ability.

**Leveraged Resources:** As defined for ETA programs means all resources used by the grantee to support grant activity and outcomes, whether those resources meet the standards required for match.

**Local Government:** a county, municipality, city, town, township, local public authority, school district, special district, intrastate district, council of government, or other regional or interstate government entity, or any agency or instrumentality of a local government.

**Matching funds:** funds, other than federal, required by a grant program to pay the percentage of project costs not covered by the grant; it is the portion of program costs contributed by a grant applicant. Match is also called cost-share and is either a statutorily specified percentage of program costs that must be contributed by a grant applicant in order to be eligible or where the applicant voluntarily shares in the costs of the program. *See Cost Sharing*

**Measurable Objectives:** Goals stated in such a way that the achievement or non-achievement of this goal may be determined with a relative degree of precision by objective observation and measurement (also called criterion-based objectives)

**Memorandum of Understanding (MOU):** an agreement developed and executed among partners relating to their roles in a joint operation.

**Needs Assessment:** A continuous, formal process for identifying and quantifying problems and critical areas.

**No Cost Extension:** A request to extend the grant period beyond the previously approved end of the grant and for which no additional funds are granted beyond what was previously approved for award.

**Noncompetitive Discretionary Funds:** funds that may be issued, when warranted, to a "sole source" because no other provider will meet the RFP's requirements. Legislators often make this type of funding available to heads of state and heads of departments to use at their discretion. See "earmark."

**Notice of Funding Availability (NOFA):** a term used for the announcement of a funding competition or RFP.

**Notice of grant award:** the legally binding document that notifies the grantee and others that an award has been made, contains or references all terms and conditions of the award, and documents the obligation of Federal funds. The award notice may be in hard copy or may be issued electronically.

**Objective:** a specific statement that explains how a program goal will be accomplished. For example, an objective of the goal to improve adult literacy could be to provide tutoring to participants on a weekly basis for 6 months. An objective is stated so that changes (in this case, an increase in a specific type of knowledge,) can be measured and analyzed. Objectives are written using measurable terms and are time limited.

**Obligated Funds:** funds that are unexpended but are encumbered at the end of the funding period to cover the known obligations; they are unexpended funds.

**Obligation:** the amounts/orders placed, contracts and awards issued, goods and services received, and similar transactions during the award period that will require payment.

**Office of Management and Budget (OMB):** a branch of the federal government that oversees procurement, financial management and regulatory policies.

**Office of Management and Budget (OMB) Circulars:** administrative policy documents issued by OMB that give instruction to Federal agencies on a variety of topics, including the administration of Federal grants and cooperative agreements.

**Official Function:** Expense such as food that needs justification as to the public purpose it produced to the funding agency or campus. Institutional approval is required prior to the function

**Outcomes:** the result of the program, services, or products you provide and refer to changes in knowledge, attitude, or behavior that you expect to occur as a result of implementing the project or program, service or activity.

**Outcome Evaluation:** designed to assess the extent to which a program or intervention affects participants according to specific variables or data elements. These results are expected to be caused by program activities and tested by comparison of results across sample groups in the target population. Outcome evaluation is also known as impact and summative evaluation.

**Outcome Objectives:** differences, including the changes in knowledge, attitudes, awareness, or behavior that you expect to occur as a result of implementing your program component, proposal, service, or activity. Outcomes should flow directly from program goals and may be long or short-term.

**Outreach:** Contributes to eliminating artificial barriers to the use of educational resources by finding new ways to serve.

**Overhead:** *See* Indirect Costs.

**Partnerships:** partnerships involve similar organizations that help each other meet their respective goals, without making substantial changes in the services they provide.

**Pass Through Agency:** state or local agency that receives federal funds and conducts its own application and award process.

**Performance Funding:** performance funding is based on the timely submission of deliverables according to the specifications negotiated between grantor and grantee.

**Performance Indicator:** a target level of performance expressed in measurable terms, against which actual achievement can be compared (i.e., student retention rates will increase on percent annually for each of the next five years).

**Performance Measure:** a characteristic or metric that can be used to assess the performance aspects of a program or project (i.e., dollars expended, students enrolled, grade- point average, and number of jobs offers received).

**Performance Period:** the total amount of time during which the funder authorizes a grantee to complete the approved work of the project described in the application. Performance periods of more than 1year in duration are divided into budget periods.

**Performance Report:** a report of the specific activities a grantee has performed during the budget or performance period.

**Pre-Application:** A prospectus following a prescribed format developed by an agency and utilized to screen proposals.

**Prime Grantee or Prime Contractor:** A single agency which has the overall responsibility for conducting a program usually involving subcontractors.

**Program:** a coherent assembly of plans, project activities, and supporting resources contained within an administrative framework, the purpose of which is to implement an organization's mission or some specific program related aspect of that mission.

**Program Income:** money that is earned or received by a recipient or a subrecipient from the activities supported by award funds or from products resulting from award activities. It includes, but is not limited to, income from fees for services performed and from the sale of items fabricated under an award; usage or rental fees for equipment or property acquired under an award; admission fees; broadcast or distribution rights; and royalties on patents and copyrights.

**Program Officer:** The funding source representative who has the task of monitoring the project, providing technical assistance to the project, approving major changes, and ensuring that the objectives are carried out within the framework of regulations.

**Programmatic Report:** see 'Performance Report'

**Project Funds:** federal and nonfederal funds that are used to cover the cost of budgeted project activities

**Project period:** an extended amount of time, during which a grantee is required to complete the approved work of a project.

**Proposal:** An application submitted to an external funding source that may lead directly to a funding award. All proposals require institutional approval by an official with the authority to commit college and district resources.

**Quasi-Scientific Research Model:** Evaluation methodology used by some agencies such as the US Department of Education that requires comparison of program participants with a similar non-participating group.

**Qualitative data:** are difficult to measure, count, or express in numerical terms. For example, a participant's impression about the fairness of a program rule/requirement is qualitative data.

**Quantitative data:** can be expressed in numerical terms, counted or compared on a scale; for example, improvement in a child's reading level as measured by a reading test

**Real Property:** land, including land improvements, structures, and appurtenances, but not movable machinery and equipment.

**Recipient:** the organizational entity or individual receiving a grant or cooperative agreement.

**Renovation:** work that changes the interior arrangements or other physical characteristics of an existing facility or of installed equipment so that it can be used more effectively for its currently designated purpose or adapted to an alternative use to meet a programmatic requirement.

**Reporting Requirements:** Performance and fiscal requirements set by the funding source. The PI/project director is responsible for the performance report and Grants Accounting is responsible for producing and submitting financial reports.

**Request for Proposals (RFP):** An announcement by an agency that it is accepting proposals to accomplish a specific objective. The RFP typically contains detailed instructions related to the written proposal.

**Reviewer, Grant Reviewer, Peer Reviewer, Field Reviewer:** an individual who reviews and scores a competitive proposal. Reviewers are chosen for their subject-area expertise and typically serve on a panel or "technical" panel of at least three members.

**Set asides:** funds reserved by a grantor for a specific purpose or project.

**Single State Point of Contact (Single State Point of Contact):** state contact that district must use when applying for certain federal grants

**Selection Criteria:** standards by which different components of a proposal are rated and scored to qualify for funding.

**Stewardship:** The obligation to be responsible caretaker of public and private funding resources awarded to the college and the District.

**Subgrant:** a contract between institutions or partners for project participation in the prime grant. The lead institution that received the award initiates the subgrant which is reviewed and signed by legal representatives of both institutions.

**Subrecipient:** the legal entity to which a sub-grant is awarded, and which is accountable to the recipient for the use of the funds provided.

**Substantial progress:** a level of accomplishment that a grantee must make in its project during a budget period, which produces measurable and verifiable evidence that the activities undertaken complied with those objectives submitted and agreed on between the grantee and the Department during the grant awarding process.

**Summative Evaluation:** Final evaluation, including both quantitative and qualitative data that is completed at the conclusion of the entire grant period. It particularly focuses on whether project goals and objectives were accomplished and project success indicators

**Supplanting:** illegal use of grant funds to pay for ongoing activities already budgeted or for the usual activities assigned to a position.

**Supplies:** all personal property excluding equipment and intangible property, as defined in this glossary.

**Suspension:** 1) the temporary withdrawal of Federal sponsorship, including the withdrawal of authority to incur expenditures against award funds, pending corrective action; 2) a decision to terminate the award or the suspension of an individual or organization causes that party to be temporarily ineligible to receive any assistance and benefits from the Federal government pending completion of investigation and legal proceedings as prescribed under Federal regulations.

**Termination:** cancellation of Federal sponsorship of a project, including the withdrawal of authority to incur expenditures against previously awarded funds before that authority would otherwise expire.

**Terms and Conditions:** all legal requirements imposed on a grant by the funder, whether based on statute, regulation, policy, or other document referenced in the grant award, or specified by the grant award document itself.

**Title:** A major section of a piece of legislation, e.g., Title I Higher Education Act, 1965.

**Total Project Costs:** the total allowable costs incurred by the grantee to carry out a grant-supported project or activity.

**Unallowable Cost:** a cost determined to be unallowable in accordance with the applicable cost principles or other terms and conditions contained in a grant award.

**Unexpended Funds:** the funding (money) not spent during the award process.

**Unrestricted Grant:** general or operating support made to further the general purpose or work of an organization, rather than for a specific purpose or project.

**Unsolicited Proposals:** Agencies may allow institutions to submit proposals which may or may not match the priorities of those agencies. Proposal may be an offer to perform tasks which are not the results of an RFP announced by the agency.

**Zero Balance:** at the closing of a grant, when cash, expenditures, budget, and revenue are equal, the budget is said to have a zero balance.