

# CP 5-12b: Grant Management Policy

---

COLLEGE PROCEDURE: CP 5-12b

APPROVED: December 21, 2020

EFFECTIVE: December 21, 2020

REFERENCES: BP 5-12b, BOR 404, 2CFR 200.35

---

The Grant Management Policy is designed by Dawson Community College (DCC) to assist with the management of new and established grants. This policy is designed to help provide a quick reference to answer general questions regarding the execution of and resources available to achieve the outcomes and goals of a grant. The policy provides an introduction to related topics including links to relevant policy website resources.

## **Award Notification**

Upon approval, DCC and the Grant Manager have a shared responsibility to the funding agency or sponsor to ensure a grant is performed as proposed, that funding is used in accordance with the specified terms and conditions, and that all required reports are provided in a timely manner.

When the agency or organization providing funding approves a grant, a Notification of Grant Award; a signed contract or other document indicating that the award is official; will be sent to the direct supervisor, the President's and Business and Finance office. The Business & Finance office will assign an index/fund number which will be referenced throughout the lifecycle of the grant. Use of the index/fund number is contained in this document.

An Account and Signature Authorization Form will be sent to the Grant Manager (direct supervisor?) for completion. This form should include all individuals authorized to sign internal documents relating to the grant. Authorized approvals must be obtained prior to any transactions and will be the only individuals allowed to sign documents on that account. Upon notification from the Business & Finance Office of the index/fund number, the Grant Manager may be allowed to charge project expenses against the account in accordance with the approved budget and project start end dates.

## **Responsibilities of Grant Manager**

- Read thoroughly and become familiar with the agreement/contractual requirements of the project.
- Conduct the project according to the approved statement of work or the terms and special conditions published in the award agreement.
- Notify their supervisor of any proposed changes in the scope of the project, change or absence of the Grant Manager, changes in budget, period of performance, etc.
- Supervise expenditures in conformity with the budget approved by the sponsor.
- Initiate the necessary documents/forms for travel, purchasing, employment, contracted services, in conformity with established College business policies and procedures.

- Charge only expenditures that meet sponsor's guidelines.
- Assure that cost-sharing of matching requirements made for the project are fulfilled in a timely manner.
- Complete time and effort reports. The reporting of time and effort spent on all sponsored projects is a federal requirement.
- Provide care and maintenance of property procured with project funds, in accordance with the sponsor's guidelines.
- Write and submit progress reports as stipulated by the sponsor in the award agreement.
- Review the monthly financial reports and closely monitor the project expenditures. If corrections are needed, please notify the Business and Finance Office.
- Funding Sources
- Grant awards are funded from four different sources: federal, state, local or private.
- Federal awards are governed by cost principles established by the federal Office of Management and Budget (OMB).
- The OMB circulars that are most relevant to universities include: OMB Circular A-21: Cost Principles for Educational Institutions ([http://www.whitehouse.gov/omb/circulars\\_a021\\_2004](http://www.whitehouse.gov/omb/circulars_a021_2004)) OMB Circular A-110: Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education. ([http://www.whitehouse.gov/omb/circulars\\_a110](http://www.whitehouse.gov/omb/circulars_a110))

### **Personnel Services**

Dawson Community College is an equal opportunity/affirmative action employer. DCC recruitment and hiring procedures must be followed to ensure the College is in compliance with federal and state laws and regulations.

If a grant requires a new position to be established or a position currently vacant to be filled, the supervisor must follow all DCC hiring processes.

### **Benefits**

The employer's portion of payroll benefits will be charged to the grant account. Benefits rates vary depending upon the type of employee. Contact the Business and Finance Office for more information.

### **Indirect Cost Recovery**

Board of Regents Policy requires that indirect costs be charged to grants and contracts. Indirect costs are necessary to recover costs for administrative services. See <http://mus.edu/borpol/bor400/404.pdf> for full explanation of indirect cost allocations and expenditures.

Facilities and Administrative Cost Policy: DCC Business and Finance Office is responsible for procurement activities for DCC. A Banner Payment Authorization (BPA) should be completed, signed by the proper fund controller and sent to the Business and Finance Office for processing. Additional information can be found at [https://www.dawson.edu/file\\_download/inline/6e353a50-c045-4a50-8dac-e2b15275a019](https://www.dawson.edu/file_download/inline/6e353a50-c045-4a50-8dac-e2b15275a019).

### **Travel**

A Travel Authorization and Request for Travel Advance Form must be submitted and approved prior to the travel date.

### **Recharges:**

Certain charges within the College system may be automatically charged to the grant index if the Grant index number is provided to internal departments (e.g., DCC vehicle, telephone charges, copy charges, book depot charges, and computing services). However, it is still the responsibility of the Grant Manager to ensure that these expenses are correct.

Method for determining whether costs are allowable:

- 1) Cost Principles §200.401(a) must be used in determining the allowable costs of work performed by the non-Federal entity under Federal awards.
- 2) These principles must also be used by the non-Federal entity as a guide in the pricing of fixed price contracts and subcontracts where costs are used in determining the appropriate price.
- 3) §200.402 defines the total cost of a federal award as the sum of the allowable direct and indirect costs less any applicable credits.

Method for determining whether costs are reasonable:

Cost Principles §200.404(a-d) establishes the criteria for reasonable costs. A cost is reasonable if it:

- 1) Does not exceed that which would be incurred by a prudent person under the specific circumstances
- 2) Is considered ordinary and necessary for operation or efficient performance of the award
- 3) Shows sound business practice, arm's-length bargaining, and applicable federal/state/local laws
- 4) Adherence to non-Federal entity's established policies and procedures regarding incurring costs (deviation of which unjustifiably increases cost of the federal award)

Method for determining whether costs are allocable:

Cost Principles §200.405(a-b) establishes the criteria for determining allocable costs. A cost is allocable if:

- 1) The cost is allocable to a particular Federal award or other cost objective if the goods or services involved are chargeable or assignable to that Federal award or cost objective in accordance with the relative benefits received
- 2) All activities which benefit from the non-Federal entity's indirect (F&A) cost including unallowable activities and donated services by the non-Federal entity or third parties will receive an appropriate allocation of indirect costs

Equipment and Real Property Management

- 1) Equipment purchased with federal grant funds shall be used for the project or program for which it was acquired during the life of the grant or until the property is no longer needed for the purposes of the project. The College shall follow 2 CFR 200.313 for the use and disposition of federally grant-funded property.
- 2) Grant-purchased equipment must be properly maintained and safeguarded, and equipment records must be maintained with the Business and Finance Office.
- 3) The Grant Manager must seek disposition instructions from the grantor agency should grant funded equipment no longer be needed for its original intended purpose. The College policy and procedure for property and inventory control must also be followed, but secondary to that of the grantor agency.

### **Unallowable Costs for Federal Grants**

The following costs, either direct or indirect, are unallowable on federal grants and contracts unless specifically approved in such grant and contract:

Advertising and Public Relations Costs, except those which are solely for specific purposes necessary to meet the requirements of the sponsored agreement.

- Alcoholic Beverages
- Alumni Activity Costs
- Bad Debts
- Local Civil Defense Project Costs not on Institution's Premises
- Commencement and Convocation Costs
- Institution Furnished Automobile Costs for Personal Use
- Contingency Provision Costs
- Defense and Prosecution of Criminal and Civil Proceedings, Claims, Appeals and Patent Infringement Costs
- Depreciation Reserves Costs
- Donations or Contributions
- Entertainment Costs (includes amusement, diversion & social activities)
- Executive Lobbying Costs
- Fines and Penalties (including late fees)
- Goods and Services for Personal Use
- Housing and Personal Living Costs
- Insurance Costs to Protect against Defects in Institution's Material or Workmanship
- Interest, Fund-Raising and Investment Management Costs
- Lobbying Costs
- Losses on Other Sponsored Agreements
- Membership Costs in Civic Clubs, Community Organizations, County Clubs, Social or Dining Clubs or Organizations
- Pre-agreement Costs Prior to Effective Date of Agreement
- Selling and Marketing Costs of Products or Services of the Institution Severance Costs in Excess of Institution's Normal Severance Pay
- Specialized Service Facilities Charges in an amount More than Aggregate Costs of Service Over a Long-term Period
- Student Activity Costs unrelated to the sponsored agreements
- Airfare Travel Costs in Excess of Lowest Available Commercial Discount Airfare or Customary Standard Coach Airfare

### **Cost Sharing**

Cost sharing is the college's contribution to a grant that supplements agency funding. It is the portion of a project's costs not borne by the federal government. This support may consist of any type of expenditure such as personnel services, travel, supplies, space, and equipment.

There are generally two types of cost sharing; they are referred to as hard dollar and soft dollar. An example of hard dollar cost sharing would include cash spent by the grantee for project related costs, e.g., supplies, rent, marketing, and personnel salaries and fringe benefits.

Soft match (in-kind) includes in-kind services donated to the project by individuals or organizations other than the grantee, e.g., donated facility space, supplies, or volunteer services. To qualify as matching resources, these items must be listed in the project budget as direct costs. The dollar value of these non-cash donations should be calculated at their verifiable fair-market value.

### **Cash Contributions**

These represent the grant recipient's cash outlay, such as supplies purchased with state funds, and outlay of money contributed to the recipient by non-federal third parties to the project.

An example of soft dollar cost sharing could be:

### **In-Kind Contributions**

These represent the value of non-cash contributions provided by the recipient and non-federal third parties. These may be in the value of goods and services directly benefiting and specifically identifiable to the project.

Faculty release time, i.e., Grant Manager works on the project during a portion of the academic year and does not charge the project his/her salary during this period, plus any payroll fringe benefits relating to the release time.

The value of waived or lowered indirect costs on the federal portion of a federal project with the approval of the Federal Agency.

It is the Grant Manager's (PD) responsibility to document all cost sharing associated with the project. The PD must provide the Banner index number for all college cost sharing committed to the project. If the cost sharing includes contributions from third parties, the PD must obtain written documentation. Cost sharing must be documented as it occurs – please, do not wait until the project is ending to start documenting cost sharing. Cost sharing must be verifiable in the recipients' records and the basis for determining the value of non-cash items must be documented. In addition, cost sharing must be necessary and reasonable to the program. Time spent working on the grant needs to be recorded on the Time & Effort Reports.

If cost sharing obligations are not required by the grantor, they should not be listed on the budget page and should not have a dollar value assigned in the narrative. Cost sharing must be preapproved before including in grant applications.

### **Budget Revision**

When a project's financial resources need to be reallocated due to the nature and progress of the research, a budget revision is needed. Before revising the budget, make sure you are aware of any sponsor requirements that apply to your award.

### **Reports and Close-Out**

During the grant period, various interim fiscal and project reports may be required. Information concerning filing these reports is usually received with the grant award document. The Grants Accountant will use this information as the basis for preparing fiscal reports and will submit them directly to the funding agency. The Grant Manager is responsible for any project reports. All charges and

transaction documentation concerning a grant should be submitted on a timely basis to the Business and Finance Office before the grant period expires.

Submission of a final financial report is usually required within 90 days for federal grants. To close out an index, the Grant Manager must have spent the monies in accordance with the terms and conditions of the award. Grant Managers and administrators must monitor each index to be sure that erroneous, unallowable charges and over-expenditures are removed from the sponsored project. In order to close properly, an index's total expenditures must match its total income. If expenditures are less than income, excess income must be returned to the sponsor. Even more important, sponsors will not reimburse the College for charges that exceed the award amount. Expenditures will have to be moved to a department account should an over-expenditure occur. Once the sponsored project has been properly closed and all reports submitted to the sponsor, the index is deleted.

**Report of Time or Effort**

A report of time or effort is required for employees paid from grants. The requirements for an effort reporting system involve an after the fact certification of the percentage of effort directly devoted to grants, including contributed time and verification that employees are not charging more than 100% of their time to grants.

---

**SCOPE**            This policy applies to Dawson Community College.

---

**PROCEDURES**    The College President shall promulgate such procedures as may be needed to implement this policy.

History: