



GRANTS AND EXTERNAL FUNDING  
POLICIES AND PROCEDURES  
MANUAL

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## **Introduction**

This document is written to provide additional clarification and direction to personnel of the institution with regard to the administration of grant funds and other external sources of funds. It is not intended to replace Statement 227 of the Policies and Procedures Manual, but to enhance the guidance to college personnel. In the event of conflicting statements, the Policies and Procedures Manual will be considered the authority.

## **Overview – Post Award**

Mississippi Gulf Coast Community College's (MGCCC) Coordinator of Grants & Special Projects processes the financial transactions of grants, projects and contracts that have been awarded. The funds are referred to as "restricted" accounts because they have been awarded for a specific purpose, with a restricted budget. They are governed by a variety of laws, regulations and local guidelines by MGCCC and other state and federal agencies.

In addition, sponsoring agencies develop rules and regulations. These range from zero governance by private sponsors to complex regulations from U.S. Office of Management and Budget (OMB) 2CFR 200 Uniform Guidance for institutions of Higher Education, which are implemented according to the specific federal granting agencies.

## **Project Startup**

Grant documents will be reviewed and approved by the college's Grant Writer, Coordinator of Grants & Special Projects, and Executive Vice-President of Administration & Finance before submitting to the President for signature.

The Coordinator of Grants & Special Projects will retain a copy of the notice of award, grant application and all relevant financial information in order to proceed with following steps:

1. Review the grant documents to determine funding source, start and end date of grant, amount of funding, cost share requirement, indirect cost percentage, etc.
2. Coordinate with Project Director/Principal Investigator (PD/PI) to review financial requirements and establish the operational budget for all line items.
3. Coordinate with Comptroller and Budget Specialist to establish appropriate fund and organization codes for Banner Finance System.
4. Coordinator of Grants & Special Projects works with Budget Specialist who enters grant information in the Banner Finance System.
5. Notify PD/PI when the budget is entered and the approved account numbers assigned.

## **Budget Change or Transfer**

Throughout the life of the grant or funding source, it may become necessary to transfer budget between expenditure accounts. All transfers must be in compliance with the requirements

contained in federal and/or sponsoring entity guidelines, and not change the overall amount of the project budget, unless a budget modification has been obtained from the granting agency or entity.

The Project Director/Principal Investigator is responsible to ensure that only allowable, allocable, reasonable and necessary costs are charged. Costs should be charged to the appropriate account.

The Coordinator of Grants & Special Projects will assist in monitoring expenditures and compliance to MGCCC guidelines, federal regulations, grant specific guidelines and the cost principles.

The Coordinator of Grants & Special Projects will initiate the process for a budget transfer requested by the Project Director/Principal Investigator. Line item transfers are submitted via email for approval by Comptroller and entered by Budget Specialist.

Procedures:

1. Project Director will submit transfer request by email to the Coordinator of Grants & Special Projects for review.
2. Request must contain explanation and supporting documents to justify transfer.
3. Coordinator of Grants & Special Projects will review request from Project Director.
4. If further justification or documentation is needed or the request is denied the Coordinator of Grants & Special Projects will notify the Project Director.
5. If approved, Coordinator of Grants & Special Projects will prepare a journal entry for approval by Comptroller and submit to Budget Specialist for entry into Banner.
6. Coordinator of Grants & Special Projects will maintain copies of journal entry requests and supporting documentation.

### **Cost Sharing**

Cost share and matching funds are contributions made to the award from other sources. The contributions must be for expenses that are necessary to support the objectives of the award. Cost share from non-federal funds must be allowable by federal regulations and must be auditable. Cost share must occur during the project period.

### **Indirect Costs**

Indirect costs, also known as, facilities and administrative cost (F&A costs) are incurred to conduct normal business activities of MGCCC that cannot be identified with or directly charged to a specific project or activity. Indirect cost rates are used to partially recover the indirect cost of a sponsored project. MGCCC's are developed under the requirement of 2CFR 200 Uniform Guidance, Coast Principles for Institutions of Higher Education.

MGCCC negotiates indirect rates with the college's cognizant federal agency, The Department of Health and Human Services (HHS). Negotiated, approved rates are to be used for all agreements with Federal government and for some nonfederal projects. The rate agreement is periodically renegotiated (usually every three years).

Some granting agencies allow for a lower rate than MGCCC negotiated rate. If so, this is identified in the approved contract, narrative or budget.

Indirect costs are recovered by applying the applicable indirect costs rate to the direct cost expenditures incurred on each project.

### **Payroll**

The Coordinator of Grants & Special Projects will verify valid start and end dates and ensure that salaries are an allowable cost to the grant. No grant funded positions will be filled prior to this verification. All grant salaries are contingent upon grant funding. The Coordinator of Grants & Special Projects will request of the Budget Specialist, position numbers for approved grant funded positions.

The Project Director is responsible for contacting the Coordinator of Grants & Special Projects and Human Resources regarding any newly hired and reassigned employees that are grant funded. A reassigned employee is a current employee of the college whose salary will be paid by a grant. The employee's salary and related benefits should be charged to the grant account. If this requires a payroll change, college procedures should be followed accordingly for full time salaried, or part-time/adjunct employees.

### **Effort Reporting**

Federal regulations require staff, faculty and student employees of the college district working on federally funded grants to report and certify their effort. This should be documented on the form provided by the Coordinator of Grants & Special Projects. Documentation must be completed and signed by each employee on a monthly or quarterly basis, depending on the grant requirements.

Effort documentation records the percentage of effort reported for the period to substantiate the salaries and wages charged to federal grants.

Effort documentation is based on 100% of activities and not a 40-hour week. Effort must be reported even if not paid for by the funding agency. Grant funded effort must be activities that are allowable for the grant.

The Project Director/Principal Investigator is responsible and accountable for compliance with the federal regulations associated with the grant awarded.

## **Reconciliation of Grant Accounts**

Reconciliations of the general ledger reports to the grant financial reports are necessary to ensure accurate reporting. Reconciliations are to be done when grant financial reports are due. The grant financial reports are normally due monthly, quarterly, or annually.

Procedures:

1. Review the Notice of Grant Award (NOGA). The NOGA provides the report due dates for each grant.
2. Review the expense general ledger report to ensure the budget matches the grant. All budget adjustments must be approved using a Journal Entry Form. A copy of the budget adjustment form must be kept on file. Make budget changes as necessary.
3. Review the expense report to ensure the expenses are allowable, allocable, reasonable and necessary (AARN) for the grant.
  - a. If any expense is a concern for AARN, review the invoice. Paid invoices are located in the Accounts Payable department. If an expense is disallowed, a journal entry must be processed to remove the expense from the grant general ledger accounts and included in to the college accounts.
  - b. The Coordinator of Grants & Special Projects must approve all transfers before journal entries are submitted for approval to the Comptroller and Budget Specialist.
4. Once the reconciliation is complete, report the expenses to the grantor/agency for reimbursement or reporting purposes. Each grantor/agency has respective reporting procedures; refer to the grant contract.

## **Reporting**

### 1. Financial Reporting

Coordinator of Grants & Special Projects is responsible for submitting invoices to and filing the various financial reports to the grantor/agency. These reports vary according to the grantor/agency requirements.

Reporting due dates also vary according to grantor/agency requirements: monthly, quarterly, semi-annually, or annually.

### 2. Invoices

Some grants require reports detailing expenditures and others require summary information.

Payment is also varied from the grantor: some are reimbursed electronic fund transfer (EFT), some by wire transfers and others by check.

It is the Coordinator of Grants & Special Projects' responsibility to ensure revenue is received and properly recorded to the correct account.

### 3. Programmatic Reporting

It is the responsibility of the Project Director/Principal Investigator to complete and file required programmatic reports.

A copy of the report must be maintained by the Project Director/Principal Investigator and Coordinator of Grants & Special Projects.

### 4. Refunds to Agency

Funds remaining at the end of a cost-reimbursement project need to be returned to the agency, unless otherwise directed by the agency.

## **Project Completion and Closure**

The closeout of the grant is the final step in the overall management of the grant project. The Project Director should arrange a meeting with the Coordinator of Grants & Special Projects 60 days prior to the end of the project to discuss close out procedures. The close out guidelines below should help facilitate the process. However, please refer to the grant contract for close out procedures as instructions may vary according to grantor/agency requirements.

Procedures:

### Project Director

- Schedule meeting with Coordinator of Grants & Special Projects 60 days prior to the end of the grant.
- Review account activity and encumbrances for closeout. Contact Accounts Payable to liquidate encumbrances, if necessary.
- All goods and services must be received/completed prior to the end of the grant date.
- Complete paperwork for staff and/or payroll changes for staff assigned to other cost centers or grant accounts.
- If applicable, take inventory of all equipment and review disposition instructions.
- Prepare and submit final program report.
- Review and file all documentation pertaining to the grant. Records will need to be stored for a specific time period as noted in the grant agreement and local MGCCC policies.

### Coordinator of Grants & Special Projects

- Process expense reports for review.
- Review activity for grant end date for compliance and prepare needed closing adjustments.
- Assess final indirect costs.
- If applicable, review equipment dispositions instructions and take necessary action.
- Return unexpended funds to grant if needed. Refer to grant contract for instructions.
- Prepare and submit final financial report and close out documents. Forward a copy to Project Director/Principal Investigator.
- Review file for all documents related to the grant.

### **Reporting Suspected Violations**

Should any employee of the college suspect that there are violations of policies and or suspected instances of fraud or other criminal activity, this activity should be reported directly to the Executive Vice President of Administration and Finance. Any reported activity will be considered confidential and will be investigated as such, and appropriate measures taken to ensure that, if any violations have occurred they will not reoccur. Further, it will be the responsibility of the Executive Vice President of Administration and Finance to report any violations with regard to federal funding to the appropriate agency.