

Policies and Procedures

S5 College Administration

S5.13 Grant Management

Responsible Administrator: Vice President of Administration

Purpose

St. Cloud Technical and Community College (SCTCC) shall manage grants in a fiscally responsible manner following all Minnesota State policies and procedures as well as all grant guidelines and stipulations. Prior to the start of a grant the Grant Planning Form must be completed and submitted to the President or the President's designee for approval. Upon approval, a grant manager will be assigned to each grant. The grant manager is responsible for maintaining compliance for the grant.

Definitions

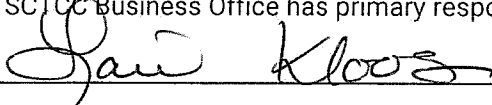
Cost transfers are costs that are inadvertently charged to an incorrect cost center, an incorrect amount, or the costs are unallowable.

Unallowable costs are any costs which (whether stated to be unallowable or mutually agreed to be unallowable) under the provisions of any pertinent law, regulation, or sponsored agreement.

Participant support costs are direct costs for items such as stipend or subsistence allowance, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences, or training projects.

Responsibility

The SCTCC Business Office has primary responsibility for implementing this policy.



6-1-23

College President:

Date:

Date of Adoption:

Date of Implementation:

Date Repealed or Replaced:

S5.13 Federal Grant Management Procedures

Scope and Purpose

The purpose of these Procedures is to ensure that grant funds follow the OMB "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (also known as "Uniform Guidance" or "2 CFR 200") and other Federal requirements of the awarding agency concerning the accountability requirements associated with Federal awards. Also, these rules and regulations are to ensure that the Federal Government bear its fair share of the total costs in accordance with generally accepted accounting principles, except where restricted or prohibited by law. All federal awards made on or after December 26, 2014, are subject to the OMB Uniform Guidance. The Uniform Guidance replaces A-21, A-110 and A-133. Per the [OMB webpage](#) this guidance "will supersede requirements from OMB Circulars A-21, A-87, A-110, and A-122 (which have been placed in 2 C.F.R. Parts 220, 225, 215, and 230); Circulars A-89, A-102, and A-133; and the guidance in Circular A-50 on Single Audit Act follow-up." In the cases where there was a substantial change in the guidance, existing awards before December 26, 2014, will remain subject to A-21 and A-110 (Higher Education Institutions).

Pre-Award

Application

St. Cloud Technical & Community College (SCTCC) applicants must use the Grant Planning form located in SCTCC intranet under College Forms. The form must be submitted and reviewed by the designated Vice President (i.e., Student Affairs or Academic Affairs) and the Vice President of Administration (VPA) who will either approve, deny, or request additional information from applicant. If additional information is requested and collected, it will be resubmitted for approval or denial. The President is required to sign the Grant Planning form for all proposed grants.

Successful Grant Award

SCTCC grants must be signed by the college president or their designee per Minnesota State policy <https://www.minnstate.edu/board/policy/707.html>. Ultimately, the VPA and designee oversee fiscal management of the grant. A Dean or supervisor of appropriate area has overall accountability for the grant outcomes, and the grant director sends a copy of the grant to the business office. The VPA or designee sets up account structure and approved budget in ISRS and forwards to the grant director for review and discussion if appropriate.

Post-Award

Personnel, Payroll, and Employee Expense Reports

1. Grant director will send the VPA or designee all personnel assignments for the ensuing fiscal year by April 1, if possible.
2. The VPA will determine if budgets allow for the personnel plan. If issues arise the VPA will work with the grant director for solutions.
3. Payment of employees will follow college standard processes.
4. Employee expense reports for grants will follow Minnesota State policy and will be reviewed and signed by the employee's supervisor, then forwarded to Business Office for processing. <http://www.minnstate.edu/board/procedure/519p3.html>
5. Any non-employee expense reports will be forwarded to the Business Office for processing.

Cost Principles

All expenditures will follow and be in compliance with the Uniform Guidance 2 CFR 200.402-200.405 found at: 2 CFR 200, Uniform Guidance (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards), and may include other federal requirements from the awarding agency.

1. All expenditures must follow the guidelines of the awarding agency and Minnesota State Board Policies and Procedures found at: <http://www.minnstate.edu/board/policy/index.html>
2. The Principal Investigator (PI) is responsible for compliance of respective grantor policies and regulations.
3. The PI or designee is responsible for all purchases made against the grant/contract cost center and must ensure correct coding. Also, the PI or designee is responsible for ensuring that expenditures are necessary, reasonable, allocable, and allowable under the applicable cost principles and the grantor's policies. The concepts of allowability, allocability, and reasonableness of costs directly address the legitimacy of a cost charged against a specific sponsored project award. Determination of allowability, allocability, and reasonableness of a given expense is based on specific guidelines of the sponsor and according to federal cost principles.
4. Allowability, allocability, and reasonableness are defined and determined by the Office of Management and Budget (OMB), the sponsor's requirements and/or College policy. Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Programs, states that "The recipient institution is responsible for ensuring that costs charged to a sponsored project award are allowable, allocable, and reasonable ..." Each financial transaction charged against a sponsored project award is evaluated against these three concepts.

FACTORS AFFECTING ALLOWABILITY OF COSTS (§200.403).

Except where otherwise authorized by statute, costs must meet the following general criteria to be allowable under Federal awards:

1. Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.
2. Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.
3. Be consistent with policies and procedures that apply uniformly to both federally- financed and other activities of the non-Federal entity.
4. Be accorded consistent treatment. A cost may not be assigned to a federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
5. Be determined in accordance with generally accepted accounting principles (GAAP), except, for state and local governments and Indian tribes only, as otherwise provided for in this part.
6. Not be included as a cost or used to meet cost sharing or matching requirements of any other federally financed program in either the current or a prior period. See also §200.306 Cost sharing or matching paragraph (b).
7. Be adequately documented. See also §§200.300 Statutory and national policy requirements through 200.309 Period of performance of this part.

REASONABLE COSTS (§200.404).

A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. The question of reasonableness is particularly important when the non-Federal entity is predominantly federally funded. In determining reasonableness of a given cost, consideration must be given to:

1. Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the non-Federal entity or the proper and efficient performance of the Federal award.
2. The restraints or requirements imposed by such factors as: sound business practices; arm's-length bargaining; Federal, state, local, tribal, and other laws, and regulations; and terms and conditions of the Federal award.

3. Market prices for comparable goods or services for the geographic area.
4. Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the non-Federal entity, its employees, where applicable its students or membership, the public at large, and the Federal Government.
5. Whether the non-Federal entity significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the Federal award's cost.
6. [78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75885, Dec. 19, 2014]

ALLOCABLE COSTS (§200.405).

1. A 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 relative benefits received. This standard is met if the cost:
 - a. Is incurred specifically for the Federal award,
 - b. Benefits both the Federal award and other work of the non-Federal entity and can be distributed in proportions that may be approximated using reasonable methods, and
 - c. Is necessary to the overall operation of the non-Federal entity and is assignable in part to the Federal award in accordance with the principles in this subpart.
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.
3. Any cost allocable to a particular Federal award under the principles provided for in this part may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by Federal statutes, regulations, or terms and conditions of the Federal awards, or for other reasons. However, this prohibition would not preclude the non-Federal entity from shifting costs that are allowable under two or more Federal awards in accordance with existing Federal statutes, regulations, or the terms and conditions of the Federal awards.
4. Direct cost allocation principles. If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit. If a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, then, notwithstanding paragraph (c) of this section, the costs may be allocated or transferred to benefitted projects on any reasonable documented basis. Where the purchase of equipment or other capital asset is specifically authorized under a federal award, the costs are assignable to the Federal award regardless of the use that may be made of the equipment or other capital asset involved when no longer needed for the purpose for which it was originally required. See also §§200.310 Insurance coverage through 200.316 Property trust relationship and 200.439 Equipment and other capital expenditures.
5. If the contract is subject to CAS, costs must be allocated to the contract pursuant to the Cost Accounting Standards. To the extent that CAS is applicable, the allocation of costs in accordance with CAS takes precedence over the allocation provisions in this part. [78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75885, Dec. 19, 2014]
6. Additionally, the grant expenditures must be within the budget parameters. Business office maintains the proper documentation as per records retention schedule https://webapps.sctcc.edu/test/intranet1/menu.php?action=do_cat:CLINKS
7. The accounts payable staff in the business office ensures the disbursements are recorded in ISRS system in the correct period based on the documentation using established conventions for occurrence dates. These documents are matched with purchase orders, contracts, and receipt of goods documents (if applicable).
8. The payment documents are retained in the payment system.

Cost Transfers

In accordance with OMB, it is necessary to explain and justify transfers of charges onto federally funded sponsored awards, where the original charge was previously recorded elsewhere on SCTCC's general ledger. Timeliness and completeness of the explanation of the transfer are important factors in supporting allowability and allocability in accordance with federal requirements.

1. When purchasing an item or when transferring a cost, the Principal Investigator (PI) should ensure the item/cost will directly benefit the project onto which the expenditure will be charged. If further discussion is needed, the Grant Accountant or the VPA is available for consultation.
2. Unusual expenses are flagged and investigated by the PI, administrative support, or the Grant Accountant and that person will initiate a budget transaction request if the expense being charged is due to an error or unallowable cost.
3. The person initiating the request will send the request to the Business Office for processing the cost transfer. Only the Business Office can process the cost transfer.
4. All cost transfers will be processed in a timely manner, if possible, within 90 days of the original entry.
5. The cost transfer will have the supporting documentation (original entry, receipt, etc.) and written justification for the transfer.
6. The documentation for the cost transfer is retained and filed in the Business Office.

Unallowable Costs

Unallowable costs cannot be included in prices, cost reimbursements, or settlements under a government sponsored agreement to which it is allocable.

1. Reconciling accounts on a regular basis will help manage sponsored funds to ensure that expenditures and revenues are within appropriate limits and guidelines.
2. The PI, administrative support, and Grant Accountant should be familiar with the complete list of unallowable costs for the Federal agency administering the award. The complete list of costs (the Uniform Guidance) is located at: 2 CFR 200, Uniform Guidance (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards), and can include other federal requirements from the awarding agency. A few examples of categories of unallowable costs:
 - a. Entertainment
 - b. Meals and Coffee Breaks
 - c. Alcoholic Beverages
3. At the end of each month, the PI, administrative support, and the Grant Accountant examine the monthly reports and if unallowable costs are identified in the award, whether a direct or indirect cost, they are moved to the PI's cost center.
4. If there are unallowable indirect costs identified, the direct costs associated with those indirect costs are excluded from the indirect cost calculation.

College Internal Chargebacks

1. Business office personnel will chargeback for printing and copying per SCTCC's managed printing system rates. Postage and bookstore supply chargebacks will be charged back monthly.
2. Chargebacks can be viewed through the web-based application of ISRS.

Budget Revisions

Budget revisions, if they are necessary, will follow 2 CFR 215.25, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations, found at: <https://www.whitehouse.gov/wp-content/uploads/2017/11/Circular-110.pdf> and may include other federal requirements from the awarding agency.

1. The PI or the Grant Accountant will initiate any budget revision (external or internal).
2. External budget revisions that require prior sponsor agency approval will be completed according to the awarding agency guidelines. Since each awarding agency has different policies regarding the need for a budget revision (i.e., no need for a budget revision if within 10% per budget line item), the PI and/or Grant Accountant will review the awarding agency policies concerning budget revisions.
3. If there is a need requiring the sponsored agency approval for a budget revision, the PI or Grant Accountant will initiate the request and the PI will make the request to the sponsoring agency. When the sponsoring agency approves the request, the Grant Accountant will make the budget revisions in the accounting system and file the documentation in the grant folder.
4. If there are insufficient funds noted in the processing of a purchase order, the PI or designee must notify the Grant Accountant of the request for the transfer of funds based on grant regulations. The request will be made via e-mail to VPA or grant director. Once approved, it is sent to the Business Office for processing and filing. These adjustments will be kept electronically and/or hard copy.
5. The reasons for a budget revision to be denied internally would be the timing of the request, budget issues, or the budget request is for an unallowable cost.

Participant Support Costs

Participant support costs will comply with the Uniform Guidance 2 CFR 200.75 and 2CFR

200.456 found at 2 CFR 200, Uniform Guidance (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards), and may include other federal requirements from the awarding agency.

1. Participant support costs will have an identifiable account that separates those costs in the accounting system.
2. Participant support costs are allowable with prior approval from the Federal awarding agency.
3. Participant support costs may not be re-budgeted in different budget categories without an approved budget modification from the awarding agency.
4. Participant support costs are not included in the calculation of the indirect cost rate.
5. Employees may not be participants.

Grant Reporting (Drawdown of Funds)

All drawdown of funds will follow and be in compliance with the Uniform Guidance 2 CFR 200.305 found at: 2 CFR 200, Uniform Guidance (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards), and may include other federal requirements from the awarding agency.

1. Payment methods must minimize the time elapsing between the transfer of funds from the awarding agency and the disbursement of those funds by SCTCC.
2. The Financial Services support staff will receipt advances of grant funds in the proper cost center.
3. Reimbursement requests will be calculated by the SCTCC's the Grant Accountant or designee, if applicable, reviewed and approved by the Business Office manager.
4. SCTCC's Business Office staff (cashiers) will properly receipt reimbursement funds.
5. The Grant Accountant will be notified when the receipting is complete.

Effort Reporting

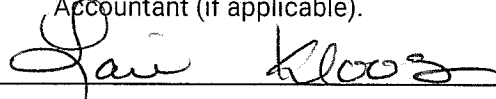
As a recipient of federal funding SCTCC is required to comply with the Office of Management and Budget Circular Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance") and may include other federal requirements from the awarding agency for

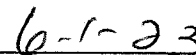
certifying effort expended on sponsored awards. The requirements for effort reporting (2 CFR 200.430) are located at: 2 CFR 200, Uniform Guidance (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards)

1. SCTCC requires all individuals who receive federal sponsored funding to comply with SCTCC's policies and sponsoring agency regulations regarding the proposing, charging, and reporting of effort on those awards.
2. SCTCC's faculty and staff are expected to charge their time to sponsored awards commensurate with the committed effort expended on all activities they perform. Payroll charges to sponsored awards and cost sharing recorded for faculty and staff, serve as the initial data points for the SCTCC's effort reporting system.
3. The Uniform Guidance Subpart E §200.430 contains the federal regulatory requirements for internal controls over certifying time expended on sponsored projects. SCTCC's practice is to utilize an after-the-fact effort reporting system to certify that salaries charged, or cost shared to sponsored awards, are reasonable and consistent with the work performed.
4. The individual's effort is first assigned to specific awards in the payroll system based on anticipated activities.
5. Actual effort expended on each project is certified by a responsible person with suitable means of verification that the work was performed, generally the principal investigator, at the end of specified reporting periods. The effort certification should be a reasonable estimate of how time was expended. Uniform Guidance Section §200.430(c) states, "It is recognized that teaching, research, service, and administration are often inextricably intermingled in an academic setting. When recording salaries and wages charged to Federal awards for IHEs [Institutes of Higher Education], a precise assessment of factors that contribute to costs is therefore not always feasible, nor is it expected."
6. All employees that work on and charge payroll cost to a federal grant must complete one of the forms listed below:
 - a. Time and Effort Activity Reporting Certification
 - b. Reasonable Credit Equivalence Form
7. All the activity for the period must be reported on one of the forms listed above. The document is signed by the employee and by the PI or a responsible official with first-hand knowledge of the work performed.
8. The document is forwarded to the Grant Accountant and used as a basis to periodically adjust the salary cost if there is a significant variation from the original salary assignment.
9. The effort reporting document is filed in the grant file and kept in the Business Office.

Grant Close Out

1. Usually time sensitive, the VPA or designee and the grant director will meet three (3) months prior to close out to discuss budget balances.
2. One month prior to close out the VP of Administration or designee and grant director will meet to monitor the progress, budget balances, and encumbrances.
3. Final closeout reports will be jointly reviewed by the grant director, VPA or designee, and Grant Accountant (if applicable).





College President:

Date:

Date of Adoption:

Date of Implementation:

Date Repealed or Replaced: