



Grants Development & Management Manual

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Revised: October 2014

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I. PRE-AWARD PROCESS

Proposal Research and Planning

If you have a project idea that may require external funding to make it a reality or have become aware of a grant that you feel meets a need on behalf of the college, your first step is to visit the Resource Development and Legislative Affairs (RDLA) department.

RDLA will assist by:

- Participating in preliminary discussions
- Locating a funding source for your ideas
- Interpreting grant guidelines
- Writing portions of the grant
- Assisting with budget construction
- Completing required forms
- Providing support from proposal construction through grants management

The initiator of the proposal may be the “lead writer” since he/she is more likely to be the “expert” on the topic. The department has experience and training in grant application processes and is to be used as a source for advice and technical assistance as well as support with proposal development.

All grants are awarded to the College of Lake County and not to the “proposal initiator.” The college must comply with all fiscal, legal, and contractual requirements. It is imperative to abide by the procedures addressed in this manual.

Considerations Before Developing a Grant Proposal

External funds can enhance programs and provide resources not available in the college’s operating budget. However, it is important for you and the college to consider the costs and benefits of receiving external funds before an application is submitted. External funding requests, especially those which include matching funds (explained further in the manual), should be compatible with the college’s goals and objectives and the goals of your department or division.

Proposal Preparation and Processing

Preliminary Steps

When a faculty or staff member plans to develop a project requiring external funding, discussions regarding the project should occur with the appropriate dean or administrator and Resource Development and Legislative Affairs. Delays can be prevented by contacting the office early for advice on sources of support, proposal and budget preparation, and internal college procedures. The appropriate dean’s and vice president’s endorsement is necessary to approve the use of any divisional space, funds, or release time.

There are five basic stages of the college's grant development process:

1. Discussion of project idea

With your supervisor and the RDLA, please discuss the following topics:

- The need for the project in relation to college needs/costs.
- General goals and specific objectives.
- Specific population to be affected.
- Potential impact on the college.
- Resources required i.e., cash, in-kind services, space, equipment, and staff.
- Allowable and unallowable expenditures.
- Continuation of project after a grant ends.

2. Proposal Development

Working with the department, a plan for proposal development including writing, research, and a timeline will be developed.

3. Proposal Preparation

The RDLA and proposal initiator will begin writing the proposal and obtaining supporting data.

4. Budget Preparation

The RDLA, proposal initiator, Human Resources (if necessary), and Business Office (if necessary) will construct a budget conforming to agency and college guidelines. The Director of Resource Development and Legislative Affairs or designee will clarify any budget development questions with the funding agency.

5. Proposal Submission

Resource Development and Legislative Affairs will submit the proposal to the funding agency (usually through e-mail or governmental site).

Grant Development Responsibilities

The following is a list of the responsibilities of key areas/divisions/departments of the college for grant compliance with agency and college policy and procedures.

The College of Lake County Board of Trustees

- Accepts grants of more than \$100,000 on behalf of the College of Lake County per College of Lake County Policy 916.

President

- Approves the submission of all requests for external funds.
- Authorized to execute agreements with external agencies to implement grant awards per College of Lake County Policy 916.
- Provides authorized (official) signature on all application documents required by funding agencies.

Executive Staff

- May determine whether the proposed project is feasible and fits the needs of the college.
- May review and authorize in-kind and cash match requirements.
- Authorizes new grant funded personnel.

Resource Development and Legislative Affairs

- Identifies and disseminates information on sources of funds.
- Reviews/recommends proposal ideas.
- Coordinates proposal approvals and obtains the President's signature on all required forms.
- Assists in the development and writing of proposals.
- Reviews and edits proposal drafts.
- Assists with budget construction, in cooperation with the Finance Department and Human Resources (if necessary).
- Provides assembly of final proposal.
- Maintains the official files on all pending and externally funded projects.
- Submits proposal to grantor agencies.
- Ensures that reports required by grantors are prepared on time.
- Obtains all required signatures.
- Develops and submits Board of Trustees agenda items for awards over \$100,000 and monthly grants report to the Board for submissions and awards under \$100,000.
- Assists with internal budget construction and reporting (if necessary).
- Maintains official internal fiscal records as required by the funding agency.
- Ensures that all federal, state, and college financial requirements are followed in the expenditure and accounting procedures for external funds received.
- Reviews all grant expenditures for conformity to the approved budget and state and federal regulations (EDGAR, OMB A-133, etc).

Finance Department

- Arranges for audits as required for grants in a timely manner.
- Draws down federal funds.
- Records journal entries and budget set-up/revisions.

Human Resources

- Reviews all job descriptions and salary classifications for compliance with college policy.

Proposal Initiator/Project Lead

- Discusses project intent with supervisor.
- Works closely with the RDLA staff to provide the subject expertise necessary to develop a quality proposal.
- Administers the project and manages the project budget. The Project Lead must initiate all expenditures of grant funds and manage the process

according to current College of Lake County policies and procedures along with those of the funding agency.

Approval for Proposal Development

In order to facilitate proposal development and to ensure that all grant proposals serve identified college needs and goals, the grant initiator and the RDLA must be able to address the following ***prior to submission of the proposal***:

- A brief project description.
- The total estimated dollar costs.
- The amount of matching or in-kind funds required.
- A statement of the institutional goals and objectives to be met by the proposed project.
- Needed facilities or space requirements.
- If new personnel are needed.
- If faculty release time is needed.
- The anticipated number of students to be served.

Once discussed with the RDLA staff and approved by the pertinent Dean or Vice President, a team will be selected to begin proposal development.

Proposal Development

The proposal is the most important document in the grant process and is the institution's offer of contract to perform certain services for which the grantor agency will provide funds. The proposal must.

1. State clearly what the college proposes to do.
2. Show how the project will advance the grantor's own purposes.
3. Demonstrate convincingly the project's uniqueness.
4. Convince the grantor that the college and its personnel are capable of carrying out the project successfully.

It is vital for all parties involved in proposal development to thoroughly review the program guidelines to ensure that the proposal addresses the priorities of the grantor. Acceptance of the proposal by the grantor commits the college to fulfilling the stated objectives and requires the college to provide the necessary personnel, space, equipment, and supplies for the program. It is essential that all college departments involved in the grant project understand what is required and are willing to participate.

Guidelines/Request for Proposals

Many corporate and private foundations and all government funding sources provide guidelines (also known as, Requests for Proposal or an RFP) that have detailed requirements regarding proposal submission. **It is critical that these guidelines are followed exactly.** The Resource Development and Legislative Affairs department will assist you in obtaining and interpreting these guidelines and will ensure that prior to submittal that the proposal fully addresses the requirements of the RFP.

Contents of the Proposal

A proposal often contains the following components:

1. **Abstract/Summary:** clearly and concisely summarizes the request.
2. **Introduction:** briefly describes the college's location and qualifications and provides an overview of the needs of grantee.
3. **Problem Statement or Needs Assessment:** documents the needs to be met or problems to be addressed by the proposed funding.
4. **Objectives:** establishes the benefits of the funding in measurable terms.
5. **Budget:** explains the costs associated with project implementation and separates costs to be provided by the funding source and applicant.
6. **Evaluation:** presents a plan for determining the degree to which objectives are met and methods are followed.
7. **Future or Other Necessary Funding:** describes a plan for project continuation beyond the grant period.

Budget Preparation

The budget is an estimate of what project implementation/management costs will be. Proposed budget amounts should be as specific as possible. The quality of thought given to budget preparation will produce a better program and increase the chances of obtaining the grant.

The budget most likely will include the following:

- direct costs paid by the grant (salary/wages, fringe benefits, travel, supplies, consulting fees, etc.);
- matching funds paid by the college or other project partners;
- cost sharing paid by the college or other project partners;
- in-kind goods or services contributed by the college or other project partners; and
- allowable administrative fees or F&A (facilities and administrative) costs.

Salaries and Wages

Per *Title 2 CFR Part 220, Cost Principles for Educational Institutions (A-21)*, salaries and wages paid with grant funds must be consistent with institutional policies and procedures and uniformly applied across the campus. Human Resources will ensure the CLC hiring procedures are followed and salaries are in line with current policy.

For current employees, RDLA staff will request salary and wage rates from Human Resources. Total salary for a full-time employee is divided by 2,080 hours to determine an hourly rate, if needed for a proposal. If a proposal budget will include a position to be hired, that position must be classified by Human Resources and assigned a starting salary. If required for the proposal, the RDLA will work with the appropriate HR Representative to develop a job description. For CLC faculty, the college's Faculty Contract will be utilized.

Matching Funds

Matching funds (cost sharing) may be required by the granting agency to aid in offsetting the cost to the grantor. Cost sharing or matching is the portion of total project costs provided by the College. The terms “cost sharing,” “match,” and “in-kind” are often used interchangeably to describe those funds. The amount required can be described as a ratio (1:1), or a percentage (50%) or as “significant” or “substantial.”

As appropriate, the college counts faculty and staff time and fringe benefits, teaching software and materials, facilities, and other costs that contribute to the total project cost. Expenses can be cash – items the college purchases or in-kind – items the college has in place and donates. Contributions counted as cost sharing for federal grants must meet all of the following criteria:

- are documented in the college's records;
- have not already been counted as contributions for any other federal grant;
- are necessary and reasonable to accomplish project objectives;
- are allowable under ***OMB Circular A-21, Cost Principles for Education Institutions***;
- are not paid under another federal award, except where authorized by federal statute to be used for cost sharing or matching; and
- are included in the approved budget when required by the awarding federal agency.

Reoccurring annual cash matches are often required throughout a project's funding period (i.e., 3-5 years). If this is the case, **the project lead will work with the Director of the RDLA to request these funds annually in the college's budget process to have a committed restricted account for these cash matching funds.**

Indirect Costs

Indirect costs are an attempt to compensate the institution for the operations cost of housing the project. Indirect costs may be either fixed or variable. Indirect costs include administration, personnel and additional “overhead” costs that are not solely directly related to the project. At this writing, the College of Lake County does not have a negotiated indirect cost rate with a cognizant federal agency. However, when allowed and necessary, the college will use the de minimus rate of 10% per *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (December 16, 2013).

Letters of Support/Commitment

Letters of support from local community organizations and government agencies often are required for inclusion in the proposal as evidence of the need for the project and to define the roles of the partners. All supporting documents should be solicited by the project lead as soon as the project is initially approved for proposal development. Letters of support are more generic than letters of commitment. Letters of commitment list specific items that the partner will provide towards the success of the project such as funding, time of staff, space and numerous other resources that have cash value. The Director of RDLA will work with the CLC President should a letter be needed requiring his support.

Submittal of Grants

RDLA coordinates the final processing of all grants and will submit electronically or copy and mail the appropriate number of copies to the funding agency.

One copy of the proposal will be housed in the RDLA files. One copy of the full proposal will be provided to the initiator(s). Additional copies will be responsibility of that department.

Funding Notification

If notified that your grant was funded –**Celebrate!** This is an accomplishment that will make the difference in the lives of students and the College of Lake County for possibly years to come. **See Post-Award section for particulars if the grant is selected for funding.**

Upon notification of grant denial, the following will occur:

- The writing team will be notified.
- The RDLA will request reader's comments from the funding agency when applicable (government agencies are required by the Freedom of Information Act to provide this information).
- The RDLA may schedule a meeting with the writing team to re-evaluate the proposal and to design a future strategy for the project concept. Future strategies may include seeking another funding source, dropping or resubmitting the project for the next funding cycle.

Unsuccessful proposals have been revised on the basis of the readers' comments and have been funded the following year.

II. POST-AWARD PROCESS

Project Management

Award Notification

Federal and state agencies usually send an e-mail or letter stating that a project has been funded. This e-mail/letter normally includes "Grant Award Agreement" or contract. The agreement includes the amount of the award, award period, funding agency's grant number, terms and conditions specific to the grant, reporting requirements, names of grants or program officer, and other pertinent fiscal information.

On receipt of the notification of a grant award/Grant Agreement, the original should be provided to the RDLA. In addition, the following will occur:

1. Award information received in RDLA.
2. Board of Trustees agenda item requesting acceptance of the funds is prepared by Director of RDLA if over \$100,000.
3. Board accepts/declines awards over \$100,000.
4. The Director of RDLA provides the contract to the CLC President for signature. **The CLC president is the ONLY Authorized Certification official to sign the contract. No other employee has the authorization to accept or sign the contract.** Please do not provide the contract directly to the President. Provide the Grant Agreement to the Director of RDLA who will coordinate the process.
5. The Human Resources Department is contacted by the project lead regarding hiring needs.
6. A Grant Summary Information form will be developed by the RDLA staff and provided to the project lead and Grants Accountant (also located in the RDLA). It will include:
 - The notification of Grant Award and Federal ID Number, if applicable;
 - A copy of the agency-approved budget;
 - The name and phone number of the project lead;
 - Any specific accounting, financial and reporting requirements of the grantor.
7. The Grants Accountant will work with the project lead to set-up a restricted itemized budget in the college's PeopleSoft accounting system per the grant award contract. **All grant accounts will be under the college's 06 (restricted) category.** The information also will be used to make preparations for any grant audit that is conducted.
8. The college's Public Relations Department may notify the media about grant awards only after the college has accepted the grant funds.

Budget Negotiations

On occasion, the first indication that a proposal will be funded is a call or e-mail concerning components of the budget. The individual receiving this call/e-mail should immediately notify the Director of Resource Development and Legislative Affairs. The project initiator should not accept the grant or revise the budget by her/himself. If significant budgetary or programmatic revisions must be made, the Director of RDLA will request authorization from the college's Executive Staff or appropriate Dean.

The RDLA will be responsible for all budget negotiations with the funding agency with the project lead also participating in the negotiations.

Sub-Award Agreements

The College of Lake County is often a sub-recipient of a university or community college that has received an award and is the fiscal agent of the funding. Again, the agreement should list all the particulars and CLC's responsibilities in the grant. The Director of RDLA will review the sub-agreement (may require legal review also) and work with the president to sign upon review of all pertinent individuals.

When CLC is the prime awardee and issues sub-awards, those documents are drafted by the RDLA. Sub-awards include a Scope of Work developed with the project lead as well as a budget for the sub-awardee. The project lead with assistance from the RDLA communicates with the sub-awardee regarding content, terms and conditions.

All sub-awards issued by the college are subject to sub-recipient monitoring **and sub-grantees are responsible for fiscal requirements such as the following:**

- post and maintain the project expenditures, sub-award funds, indirect costs and any and all interest income earned in a separate segment, division, unit, or cost center account;
- maintain an accounting system in accordance with generally accepted accounting principles and Office of Management and Budget (OMB) Circulars Title 2 CFR Part 220 (A-21) and Title 2 CFR PART 215 (A-110), as well as other applicable local, state and federal statutes, regulations, directives, and guidelines;
- utilize generally accepted accounting procedures to assure proper fiscal and management practices to deposit and account for sub-award funds; maintain separate accounting records for each sub-award, program income, and any other fiscal matters relating to the sub-award budget; and
- support all disbursements for obligations and expenses with contracts, invoices, vouchers, and other data, as appropriate.
- Provide information to their auditors and CLC on their Schedule of Expenditure for Federal Awards (SEFA) OMB A-133 audit.

Start-up Meeting

Once a **new** grant award has been accepted, the RDLA will schedule a “Start-up Meeting.” The meeting will include the project lead, project personnel (if necessary), administrative supervisor, Director of Resource Development and Legislative Affairs, Grants Accountant, appropriate staff, and the appropriate dean (when necessary).

The purpose of the Start-up Meeting is to review the funding agency’s reporting needs and the college’s established procedures in relation to the grant. It is important for each person to understand internal and external policies and the specific grant management responsibilities required by the grantor.

Budget Set-Up

Budgets are established using the budget that has been approved by the funding agency in the Grant Agreement. In a meeting with the project lead and Grants Accountant, the budget is developed and entered in the college’s PeopleSoft system by the Grants Accountant. Budget figures are entered using a **CLC 06-Restricted project ID and account numbers assigned to the project.**

As expenses are incurred, budgets are monitored to ensure the costs do not exceed the budget amount. If a budget modification is needed, and it does not require prior approval by the funding agency, the project lead will meet with Grants Accountant to revise internal budget per the Grant Agreement requirements. The Grants Accountant will revise in PeopleSoft.

If prior approval is needed, budget changes are not made until approval has been received. Typically, the RDLA will work with the project lead to request prior approval in writing from the funding agency. This documentation is needed prior to making changes in the internal budget posted.

General Ledger

The CLC financial accounts are called the general ledger (GL). GL account numbers describe what accounts are affected by the particular financial transaction. CLC uses the following format: **aaaaaa-bb-cccc-dddd-ee** Account Code→Fund →Department →Program →Class.

- aaaaaa = account
- bb = source of funds, **in grants it is 06 restricted a unique project number specifically for the grant.**
- cccc = department number. For grants the department number is usually the department number of the project lead.
- dddd = program
- ee = class

Revenue

Funds flowing to CLC from an external source (grant) are called “revenue” or “income.” There are generally two ways grant monies are received by CLC, 1) A check is sent in advance by the grantor, or 2) CLC has to request reimbursement from the grantor on a periodic basis through electronic drawdown or by submitting invoices with detailed supporting documentation for costs.

Encumbrance

Encumbrances are anticipated or actual liabilities provided for by appropriation which is recognized when a contract, purchase order, or salary commitment is made. It reduces the appropriation to avoid expenditure of funds needed to pay anticipated liabilities or expenditures.

Authorization and Use of Grant Funds

Payments from federally funded programs must conform to college policy, grantor program guidelines, and the grants administration manual as specified in the Education Department General Administrative Regulations (EDGAR) and/or OMB A-133 federal regulations.

In the case of private or foundation grants, expenditure of funds must be consistent with guidelines as set forth by the particular organization and in accordance with existing college policy.

The usage of grant funds procedure is:

- 1) First, the project lead will fill out the required CLC payment forms and send to their supervisor who will send to the Director of RDLA for final compliance review.
- 2) Then, the Director of RDLA will electronically sign to confirm expenditure compliance and the Finance Department will process. **The Director of Resource Development and Legislative Affairs' electronic signature must be obtained on ALL payment requests/invoices before grant expenditures can be made. The Finance department will not process any requests without the signature of the Director of Resource Development and Legislative Affairs.**

To ensure compliance with the allowability of costs paid through grant funds, reimbursement of travel and other purchases requires an itemized receipt. Per Diem and credit card bills are not itemized and will not be accepted by the Director of RDLA for reimbursement.

Drawdown of Funds

Federal grant funds use an electronic "drawdown" method from a particular federal financial website (NSF uses ACMS) for reimbursement of expenses. The Grants Accountant uses a record of grant expenditures for the previous quarter, taken from the general ledger, and prepares a worksheet to calculate the total drawdown. The Assistant Controller reviews, certifies, and submits the request for the particular expense reimbursement request.

Allowable/Unallowable Costs

As a recipient of federal funds, CLC is required to comply with the provisions of Title 2 in the Code of Federal Regulations, subtitle A, chapter II, part 220, (2 CFR Part 220) "Cost Principles for Educational Institutions," formerly referred to as "Office of Management and Budget (OMB) Circular A-21". Section J of 2 CFR Part 220 addresses the allowability specific types of cost.

For costs to be allowable they must:

- be reasonable;
- be allocable to grant agreements under the principles and methods defined in 2 CFR Part 220;
- be given consistent treatment through application of those generally accepted accounting principles appropriate to the circumstances; and
- conform to any limitations or exclusions set forth in these principles or in the sponsored agreement as to types or amounts of cost items.

Direct costs are **costs necessary to perform the project's stated scope of work**. The following provides general guidance pertaining to costs in which federal funds awarded through grants are allowable/unallowable. **When in doubt, please contact the Director of Resource Development and Legislative Affairs to discuss.**

- Salaries and fringe benefits of staff and faculty and other personnel directly engaged in performing the project's scope of work.
- Supplies and materials necessary for performing the project's scope of work.
- Other costs such as travel, contractual, printing, long distance telephone expenses, and other directly related costs necessary for performing sponsored project's specific scope of work.
- Capital equipment that is approved by the grantor.
- Service/maintenance agreements on capital equipment approved by the grantor.

Unallowable on federal awards:

- Advertising for general promotion of the College of Lake County, including printed materials, promotional items, memorabilia, gifts, and souvenirs
- Advertising for recruitment purposes that includes color or is excessive in size
- Alcoholic beverages
- Alumni or fund-raising activities
- Bad debt write-offs
- Donations or Contributions
- Commencement expenses
- Cost Overruns; *any costs allocable to a particular agreement may not be shifted to other grant agreements in order to meet deficiencies caused by overruns or other fund considerations, to avoid restrictions imposed by law or by terms of the agreement, or for other reasons of convenience.*
- Decorative objects for private offices
- Entertainment – *No sporting event tickets, plays, musicals, movies, etc.*
- Fine/original art
- Fines and penalties
- First-class/business-class air travel differentials
- Flowers
- Gifts, prizes, and awards – *No t-shirts, trinkets, door prizes, etc.*
- Goods or services for personal use
- Lobbying
- Memberships in airline travel clubs
- Memberships in civic, social, community organizations or country clubs
- Selling or marketing products or services of the college
- Social events

Below, is the full reference chart for allowable and unallowable direct costs.

ALLOWABLE AND UNALLOWABLE DIRECT COSTS

A-21 Ref	Title	Allowable as Direct Cost	Unallowable as a Direct Cost
J1	Advertising and Public Relations	Allowable only is related to and necessary for performance of the grant project (i.e., recruitment of personnel, procurement of goods and services, disposal of scrap/surplus materials)	Unallowable for promotional items and memorabilia, including models, gifts and souvenirs
J2	Advisory Councils	Allowable for costs incurred by councils or committees when authorized by the awarding agency	See Allowable Column
J3	Alcoholic Beverages	Unallowable	Unallowable
J4	Alumni Activities	Unallowable	Unallowable
J5	Audit Costs and Related	Allowable if specifically required and approved by the awarding agency	See Allowable Column
J6	Bad Debt	Unallowable	Unallowable
J7	Bonding Costs	Allowable pursuant to the terms of an award if required for a construction project	See Allowable Column
	Capital Expenditures	See Equipment and other Capital Expenditures	
J8	Commencement and Convocation Costs	Unallowable	Unallowable
J9	Communication Costs	Allowable for costs directly attributable to a specific project (i.e., long distance calls. See also OMB A-21, Section F6)	Unallowable for recurring line charges, network charges, local telephone costs, and cell phones
J10	Compensation for Personal Services	Allowable for services such as salaries, wages and fringe benefits within CLC policy and for activities contributing to an intimately related to work under the sponsored agreement	See Allowable Column
	Conferences	See Meetings and Conferences	
J11	Contingency Provisions	Unallowable	Unallowable
J12	Deans of Faculty and Graduate Schools	Unallowable	Unallowable
J13	Defense and Prosecution of Criminal and Civil Proceedings, Claims, Appeals and Patent Infringement	Unallowable	Unallowable
J14	Depreciation and Use Allowance	Unallowable	Unallowable
J15	Donations and Contributions	Unallowable	Unallowable
J16	Employee Morale, Health, and Welfare Costs	Unallowable	Unallowable
J17	Entertainment Costs	Unallowable	Unallowable for costs of entertainment

			including amusement, diversion, and social activities and any costs directly associated with such costs (such as tickets to shows or sports events, meals with inadequate substantiation of business purposes, lodging rentals, transportation, and gratuities)
J18	Equipment and Other Capital Expenditures	Allowable only for special purpose equipment (Prior approval from awarding agency required for items with a unit costs of \$5,000 or more) Special Purpose Equipment – used exclusively for research, medical scientific, or other technical activities	Unallowable for General Purpose Equipment General Purpose Equipment – not used exclusively for research (i.e., office equipment and furnishings, reproduction and printing equipment, etc.)
J19	Fines and Penalties	Unallowable	Unallowable
J20	Fund Raising and Investment Costs	Unallowable	Unallowable
J21	Gain and Losses on Depreciable Assets	Unallowable	Unallowable
J22	Goods or Services for Personal Use	Unallowable	Unallowable
	Homeland Security Costs	See Plant and Homeland Security Costs	
J23	Housing and Personal Living Expenses	Unallowable	Unallowable
I			
J24	Idle Facilities and Idle Capacity	Unallowable	Unallowable
J25	Insurance and Indemnification	Allowable if related to and necessary for the performance of the sponsored project (Note: malpractice insurance is an allowable cost of the research program only to the extent that the research involves human subjects)	See Allowable Column
J26	Interest	Unallowable	Unallowable
	Investment Costs	See Fund Raising and Investment Costs	
J27	Labor Relations Costs	Unallowable	Unallowable
J28	Lobbying	Unallowable	Unallowable
J29	Losses on Other Sponsored Agreements or Contracts	Unallowable	Unallowable
J30	Maintenance and Repair Costs	Allowable as a direct cost as necessary to carry out the technical and scientific aspects of	See Allowable Column

		<u>and actually used for the performance of a sponsored project</u>	
J31	Material and Supplies Costs	Allowable as a direct cost when necessary for and actually used for the performance of a sponsored project (office supplies are not allowable)	Unallowable for office supplies include copy charges, fax charges, postage/mail room charges, and personal computers unless primarily or exclusively used in the actual conduct of scientific research
J32	Meetings and Conferences	Allowable when the primary purpose is the dissemination of technical information directly related to the project. This includes costs of meals, transportation, rental of facilities, speakers' fees, and other items incidental to such meetings or conferences, excluding entertainment costs	See Allowable Column
J33	Memberships, Subscriptions and Professional Activity Costs	Unallowable	Unallowable
J34	Patent Costs	Allowable if required by the sponsored agreement	Unallowable for foreign patents
	Personal Living Expenses	See Housing and Personal Living Costs	
J35	Plant and Homeland Security Costs	Allowable under special circumstances and/or if required by the awarding agency	See Allowable Column
J36	Pre-agreement Costs	Allowable with prior approval from the awarding agency	See Allowable Column
	Professional Activity Costs	See Memberships, Subscriptions and Professional Activity Costs	
J37	Professional Service Costs	Allowable when in accordance with OMB A-21, J37 b & c and in compliance with University policy	Unallowable for officers or employees of the institution
J38	Proposal Costs	Unallowable	Unallowable
J39	Publication and Printing Costs	Allowable if the costs can be identified with a research project. If the cost is for page charges, the charges are allowable for professional journals if the work is supported by the Federal Government and the charges are leveled impartially on all research papers published, not just those funded by federally sponsored authors	See Allowable Column
	Public Relations	See Advertising and Public Relations	
J40	Rearrangement and Alteration Costs	Allowable with prior approval of the awarding agency when	Unallowable for ordinary

		incurred specifically for the sponsored project	rearrangement and alteration of facilities
J41	Reconversion Costs	Allowable for costs incurred in the restoration or rehabilitation of the institution's facilities to approximately the same condition existing immediately prior to commencement of a sponsored agreement (fair wear and tear excepted) only with prior approval of the sponsoring agency and when incurred specifically for the sponsored project	Unallowable for normal wear and tear
J42	Recruiting Costs	Allowable when related to and necessary for the project and if reasonable (color ads are not considered reasonable – See OMB A-21, Section J1)	See Allowable Column
J42	Relocation Costs	Allowable for employment of 12 months or longer	Unallowable
J43	Rental Costs of Buildings and Equipment	Allowable for reasonable costs (subject to the limitations of leases given in OMB A-21, Section J43 a-d) when incurred specifically for the sponsored	See Allowable Column
J44	Royalties and Other Costs for Use of Patents	Allowable when necessary for the performance of the sponsored project	Unallowable when the Federal Government has a license or the right to free use of the patent or copyright; or when the patent or copyright has been adjudicated to be invalid, has been administratively determined to be invalid, is considered to be unenforceable or has expired
J45	Scholarships and Student Aid Costs	Allowable only when the purpose of the sponsored agreement is to provide training to selected participants and the charge is approved by the sponsoring agency. In order to pay tuition, a stipend must be paid, and the student must be enrolled in an advanced degree program. The activities of the student in relation to the project must be related to the degree program and compensation must be conditioned explicitly on the performance of the work. Must be a bona fide employer-employee relationship (see OMB	See Allowable Column

		A-21, Section J45)	
J46	Selling and Marketing	Unallowable	Unallowable
J47	Specialized Service Facilities	Allowable, but rates must comply with OMB A-21, Section J47 and University policy	See Allowable Column
J48	Student Activity Costs	Unallowable	Unallowable
	Subscriptions	See Memberships, Subscriptions and Professional Activity Costs	
J49	Taxes	Allowable when the institution is required to pay	See Allowable Column
J50	Termination Costs Applicable to Sponsored Agreement	Allowable for costs which would not have arisen had the sponsored agreement not been terminated, provided they meet the requirements of OMB A-21, Section J50	See Allowable Column
J51	Training Costs	Allowable for training provided for employee development for a specific sponsored project	See Allowable Column
J52	Transportation Costs	Allowable when related to goods purchased	See Allowable Column
J53	Travel Costs	Allowable for transportation, lodging, subsistence and related items for employees who are travel status on project-specific business, subject to CLC policy	Non-employee travel unallowable unless related to OMB A-21, Section J2 or specifically required to fulfill the requirements of the solicitation
J54	Trustees	Unallowable	Unallowable
	Use Allowances	See Depreciation and Use Allowances	

The Director of Resource Development and Legislative Affairs, may assist the project lead in judging of the reasonableness, allocability and allowability of a cost charged to a grant agreement. To a limited extent, he does this each time he reviews expenditure requests for grants and talks to the project lead in the course of carrying out their responsibilities.

Procurement

All college procurement follows **CLC Policy 712** and is under the supervision of the Vice President for Administrative Affairs. All purchases of budgeted items are regulated in accordance with the following:

- 1) Purchases between \$5,000 and \$25,000 -- Three written quotations must be secured from responsible vendors on any item or group of items ranging in cost from \$5,000 to \$25,000.

The Vice President for Administrative Affairs or designee has authorization to make an award in the best interest of the college, providing the item(s) has been budgeted. When practical, preference shall be given to businesses and firms located within the boundaries of the college

district. For informational purposes, a summary report of purchase awards will be provided to the Board of Trustees on a monthly basis for purchases made in the amount of \$5,000 to \$25,000.

- 2) Purchases in excess of \$25,000 -- After due advertisement, all competitive bids for contracts involving an expenditure expected to exceed \$25,000 must be sealed by the bidder and must be publicly opened by the Vice President for Administrative Affairs or designee and one other staff member. At this time, the contents of the bids must be publicly announced.

Due advertisement includes, but is not limited to, a minimum of one public notice at least ten days prior to the bid date in a newspaper published within the community college district. Bids shall be solicited directly from responsible vendors that are deemed reliable and competent to furnish the required items. Awards shall be made to the lowest, most responsible bidder whose bid is in accordance with the terms, conditions, and specifications as outlined in the bidding document. The Board of Trustees has the right to accept or reject any or all bids, in whole or in part, when deemed in the best interest of the college. In the case of identical bids, preference shall be given to firms having places of business within the community college district.

A bid summary accompanied by a recommendation for award of contract shall be submitted to the Board of Trustees for formal approval, and no award shall be made prior to or without such approval.

- 3) Non-biddable purchases -- by Illinois Compiled Statutes 110 ILCS 805/3-27.1, the purchase of certain supplies, materials or work, involving \$25,000 or more, may be exempt from the competitive bidding process. After due advertisement, sealed bids will be obtained as per Section 01.2 of this policy when a competitive environment exists. Authorization to begin the solicitation process of applicable purchases shall be approved, in advance, by the Vice President for Administrative Affairs or designee. Procedures for determining and approving non-biddable purchases shall be established by the Vice President for Administrative Affairs or designee. The Board of Trustees shall approve all non-biddable purchases in excess of \$25,000. The Board of Trustees reserves the right to consider the location of a business or firm within the boundaries of the college district as a criterion for award of such contracts.

Grant Management Responsibilities

The college assumes responsibilities for a funded grant by entering into an agreement with the grantor. The following parties will assume the funding agency's required responsibilities.

Project Lead

The project lead is responsible for:

- The day-to-day implementation and management of the defined project.
- Maintain Time and Effort sheets/calendar for all administrators, faculty or operational personnel that are listed as grant funded or used as in-kind services.
- Maintain detailed files of project activities.
- Keep his/her immediate supervisor apprised on project status.
- Work with the public relations department for development of newsworthy stories involving the project.
- Complete and submit all required reports (RDLA can assist).

Resource Development and Legislative Affairs

The RDLA department is available to facilitate support for grant development, compliance issues, reporting, grants accounting, Time and Effort reporting etc. However, **the department is not responsible for day-to-day management of the grant.**

The department also works with the Finance Department to:

- Maintain internal fiscal records as required by funding agency.
- Ensure that all federal, state, and college financial requirements are followed in the expenditure and accounting procedures for external funds received.
- Review grant expenditures for conformity to the approved budget.
- Arrange for audits as required for grants in a timely manner.

Grant Funded Personnel

Personnel must be employed in accordance with college policies. **Grant employees have no implied or guaranteed employment beyond the official grant-funding period.** Project employees are entitled to all benefits applicable to their employee groups and must follow CLC's employment policies.

The Human Resources department will:

- Advertise and post all grant-funded positions as defined in the grant guidelines proposal.
- Supervise the interview process in compliance with existing college policies and procedures.
- Maintain the hiring records of all grant personnel.

Time and Effort Reporting

Time and Effort is defined as the amount of time spent on a particular activity. It includes the time spent working on a grant project in which salary is directly charged or contributed (cost-shared or in-kind effort).

Payroll distributions and Time and Effort reports are not the same thing. Payroll distributions are the distribution of an individual's salary. Time and Effort reports describe the allocation of an individual's actual time and effort spent on the specific project after-the-fact.

The RDLA will distribute a PeopleSoft generated monthly Time and Effort Report to all grant funded employees. College of Lake County employees whose salary (wage) is funded in whole or in part by grant funds are required to complete this report as required by **OMB Circular A-21, Section J.8**. Failure to comply with this requirement may result in questioned costs and possible loss of future grant funding at the federal and state level. The Time and Effort Report is to be filed monthly by **all staff** (including student workers, tutors, testers, etc.) paid from **any** funded grant.

To confirm that the distribution of activity represents a reasonable estimate of the work performed during the reporting period, the individual staff member accomplishing the work will sign the report. The staff member's immediate supervisor in turn will endorse the report. Staff should maintain a record of how their percentages of time were derived (i.e., calendar, journal, etc.).

If the distribution of percentage of time per grant is not accurate, the individual will correct the percentage to reflect the **actual** percent of time spent on each grant (if paid from more than one grant). The Grants Accountant (if necessary) will then make the required adjustments (reconciliations).

Faculty who are paid out of grant funds and are not part of the reports generated monthly through the PeopleSoft system will fill out the form below and submit to the Resource Development and Legislative Affairs office after each semester. The same form is revised for staff who are providing time as an in-kind contribution.

Record Keeping

The RDLA maintains the official grant files containing a copy of the proposal, the original-signature copies of official documents, correspondence, reports, budget or program amendments, news releases, and any other appropriate information. These files are kept for three, five, or seven years, as required by the grantor.

The following is a list of additional records to be maintained by the project lead:

- **Time Sheets.** Records must be maintained documenting time spent on the project when the approved proposal displays a specific percentage of time. Grants that incorporate in-kind contribution in the form of hours from existing full-time staff are fully auditable by the funding agency and must be carefully documented. Sometimes there are specific time sheets which must be utilized according to the funding agency's instructions (ex. Perkins). Time and Effort reports are to be sent to the RDLA with copies maintained in the project lead's office.
- **Program Logs.** Staff that communicate with a funding agency in regards to a funded project should maintain phone logs as part of the permanent record. A phone log should include the date, time of call, who initiated call, the name of the agency staff member, and a short summary of the conversation. These records are most valuable in reconstructing miscellaneous points in the events of an audit or other legal questions that may arise. The phone log files should be maintained by the project lead. Phone logs should be kept in chronological order and released to the RDLA at the close of a project.

Other Documentation. The project lead must maintain adequate records to justify the expenditure of funds for each line item in the budget in accordance with the grant guidelines. **KEEP ALL RECEIPTS** -- Documentation should include:

Personnel: -method of position announcement
-selection criteria
-qualifications of successful applicant
-weekly time sheet

Travel: -reasons for trip
-detailed expenses –

Consultants -method of selection
-qualifications
-verification of work performed

Equipment & Supplies
-requisitions and purchase orders
-verification of work performed
-all equipment items numbered and counted for by annual inventory

Programmatic Revisions

Program changes resulting in a modification of the scope or objectives of the approved project require prior approval by the granting agency. Requests for a project revision should follow the grantor's requirements. The requests should explain the desired revision, why the revision is necessary, what will happen if the revision does not occur, how the revision will affect the project, and when the revision will be completed. The RDLA will assist in the development of this request and mail the request to the grantor.

The original of the grantor's approval will be retained in the project file in the RDLA. A copy of the approval will be sent to the project lead. If approval comes directly to the project lead, it should be sent to the RDLA with a copy retained by the project lead.

Budget Revisions

When a project lead requires a budget revision that is not listed in the Grant Agreement, prior to the expenditure of funds the project lead should receive funding agency written approval. The RDLA will not revise the budget unless written notification is received. **If denied by the funder, the college's operational budget or possibly the project lead's own resources may have to be used depending on the situation.**

Change in Project Lead

The following steps should be taken if a project lead leaves the employment of the college before the grant has ended:

1. Meeting of supervising administrator, RDLA, Human Resources Office at earliest possible convenience. Interim operation plans will be outlined and presented to agency.
2. Funding agency to be contacted once plans are drafted.
3. Position advertised as quickly as possible.
4. Agency may have to approve person selected.

Review of Budget Expenditures

The project lead is responsible for reviewing monthly grant project expenditures. The Grants Accountant provides a monthly report to each project lead that lists the name of the grant, source of funding, revenue budget amount and revenue received to date (differences), expense budget, encumbered YTD and expended YTD (differences), and revenue received/less expenses/encumbrance. If grant funds are not being spent at the projected level and it appears that an extension is necessary, the RDLA should be contacted early so arrangements can be made with the grantor. The project lead is responsible for keeping an up-to-date encumbrance record to allow for any time lag in the college's budget reports.

Cost Overages

The Grants Accountant will track any cost overages as they are flagged in the PeopleSoft system and inform the project lead. After identifying an cost overage situation, the project lead should work towards a timely resolution with the RDLA and the actions to be taken to resolve it going forward. If additional grant funding does not occur, the division/department may be

responsible for covering the overage. In situations where additional funding cannot be documented, the Controller will prepare a cost transfer to transfer the funds from the grant to an operating (01 Fund) account.

Requests for Extensions and Carryover of Funds

It is sometime possible to request an extension on a grant and to carryover unexpended funds into the following year in order to complete unfinished program objectives (federal grants usually allow a one-year no cost extension).

However, a project should not be conducted on the assumption that an extension will be approved by the funding agency. In order to request a project extension, adequate notice must be given to the grantor at least *90 days before* the expiration of the grant. It is advisable for the project lead to review the program guidelines to determine if an extension of funds is possible. The RDLA will coordinate the request for an extension or carryover with the agency (if required by the agency).

Performance and Financial Reports

Reports to the funding agency are mandatory and are assurances of institutional accountability. It is possible for the college to document the success and quality of a program only by timely and appropriate reporting.

External Reporting Requirements

Agency reporting requirements are usually specified in the award notice. Reports normally include narrative progress reports and financial status reports. Annual reports are usually required by the grantor agency. In addition, quarterly or monthly reports may be required by some grants. Final reports are usually due within 90 days of the project end date. The project lead should work with the RDLA in developing reports which comply with all grant requirements.

The process for developing project reports is as follows:

1. Responsibility for preparing performance reports lie with the project lead in coordination with the Resource Development and Legislative Affairs department and Business Office (if necessary).
2. The number of reports to be submitted to the agency, as well as the number of copies of those reports, is determined by the terms and conditions of each grant.
3. If the project leader requests, reports may be submitted to the RDLA and to the appropriate dean and vice president (if necessary) for comment and approval prior to submission.
4. The RDLA will edit narrative reports and, when needed, will assist in its preparation.
5. The signature of the president, if needed, is to be obtained by the RDLA.
6. Each project report will be mailed or e-mailed by the RDLA. If the report requires an online submission, please make a hard copy of the report for RDLA and your files. Copies of reports and letters of transmittal are retained in the official project files in the RDLA. Copies will be sent to the project lead.

Closeout

When the term of a **grant expires and an extension is not possible**, the project lead with assistance from the Grant Accountant will confirm that all expenses have been charged to the approved budget categories and are reasonable, allocable, and allowable and occurred during the period of performance.

The requirements for closing a grant are normally identified in the guidelines provided by the sponsor. For federal funds, additional guidance is given in **2 CFR 215 (OMB A110)** and includes:

- Submit, within 90 calendar days after the completion date of the award, all financial, and other reports as required by the terms and conditions of the award.
- Liquidate all obligations incurred under the award not later than 90 calendar days after the funding period ends or the date of completion as specified in the terms and conditions of the award.
- Invoice for or draw down allowable reimbursable costs.
- Refund any balances of unobligated cash the sponsor has advanced or paid, and that are not authorized by the sponsor to be retained by the college for use in other projects.
- Adjust cost sharing, upward or downward, after closeout reports are received.
- Account for any real and personal property acquired with federal funds or received from the federal government in accordance with OMB A-110 or specific guidance provided by the sponsor.

The Grant Accountant and Project Lead will:

1. Meet 60 days prior to the end of a grant.
2. Review account activity and encumbrance balances for closeout. Confirm that all goods and services purchased with grant funds are received and/or completed prior to the end of the grant period of performance.
3. Notify HR and Dean regarding termination of grant funding for personnel assigned to the project. Complete appropriate paperwork.
4. Request HR to add an end date to any grant-funded position(s) so that payroll charges will end.
5. Ensure all Time and Effort reports are completed.
6. Inventory all equipment and review disposition instructions with Purchasing of the specific grant award or consult 2 CFR 215 (OMB A110).
7. Review the retention requirements and file all documentation pertaining to the grant.

The Grant Accountant will:

1. Review and liquidate account balances for all encumbrances on project budget.
2. Review any grant account activity after the end date for compliance and prepare final closing adjustments.
3. Assess final F&A costs with the Finance Department.
4. Review equipment disposition instructions and take appropriate action.
5. Return unexpended funds to sponsor if necessary.
6. Prepare and submit final financial report with project lead if necessary.
7. Place an “end date” on the project once all expenditures have been paid.
8. Review file to ensure all required documentation is included.

The Project Lead will:

1. Prepare and submit final program report to agency and provide a copy to the RDLA.
2. Review file and ensure that any documents with original signatures are forwarded to the RDLA.
3. The RDLA will hold originals in office file until they can be destroyed per grant regulations.

Audits

Grant financial audits will be accomplished through agency specifications or through the annual College of Lake County OMB A-133 audit function. Some programs will receive site visits and may be audited by federal or state program auditors.

Record Retention

The majority of grant projects have legal requirements as to how long project records, particularly financial records, must be retained.

Federal awards - Retain records for 3 years after submission of the fiscal status report (annual or, if annual is not required, competitive segment) or after final payment under a Federal contract. If any litigation, claim, or audit is started before the expiration of the 3-year period, the records must be retained until all litigation, claims or audit findings involving the records have been resolved and final action taken.

Record retention under Federal grants is governed by [OMB Circular A-110](#), specifically [2 CFR 215.53](#). Record retention under Federal contracts is governed by the [Federal Acquisition Regulation](#), specifically FAR 52.215-2.

State of Illinois awards – Check the contract terms. All records for projects funded under State of Illinois awards (MOUs, grants, agreements) must be retained for a minimum of 6 years.

Other awards - Check the award terms and conditions or the sponsor's written policies. If the sponsor or award document does not specify a specific time period to retain project records, follow the Federal requirement (retain for 3 years after final payment under the award).

Prior to disposing of any public records or documents, a Records Disposal Certificate shall be filled out and approved by the Local Records Commission. This certificate of approval will authorize the administration for the College of Lake County to dispose of the specified records under CLC Board Policy 917.