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This manual is designed to provide the policies of Lawson State Community College relative to the solicitation, acceptance or execution, and administration of awards from extramural sponsors. Contracts and grants fall under the jurisdiction of the Office of Sponsored Programs. The manual provides guidelines based on institutional requirements, state and federal mandates. The manual is designed to assist personnel in complying with all laws and contractual and grant obligations.

This policy and procedures manual will be updated whenever necessary. The aim is to make this guide as complete and as accurate and up to date as possible. It is necessarily a work in progress because both federal standards and college administrative processes change. This manual has been prepared for the convenience of the administration, faculty and staff of the Lawson State Community College. Basic regulations for managing grants, contracts and other sponsored programs are the same.

The manual is intended to provide comprehensive guidelines for applications of Grants, Contracts and Sponsored Programs and to be used as a tool in managing such grants, contracts and sponsored programs once they have been awarded to the College. Specifically, the manual will: 1) provide general College policies and provisions that affect the application and administration of grants, contracts and other sponsored activities; 2) acquaint principal investigators/project directors (PI/PD) with the specific functions of the various college offices that are involved in the administration of Grants, Contracts and other Sponsored Programs; 3) assist faculty and staff in the preparation and submission of grant and contract proposals; and 4) provide information to assist in the post-award administration of grants, contracts and other sponsored activities.

## GENERAL ADMINISTRATION

### Principal Administration of Grants, Contracts and Sponsored Programs

The President, as the Chief Executive Officer of Lawson State Community College, has the ultimate responsibility for the development and administration of policies and procedures governing sponsored programs for each of the campuses. Included in these responsibilities is the development of a strong and effective grants, contracts and sponsored programs' policy that can assist the faculty and staff in generating new knowledge that is ultimately transmitted to students and to the larger society. The President reviews proposed policies and procedures and, if required, forwards them to the Chancellor who, if required, would forward them to the Alabama State Board of Education for approval. The President serves as the authorized representative but may delegate certain grant, contract and sponsored program responsibilities to other appropriate levels of the Administration.

- The Vice President for Instructional Service promotes and monitors the performance of research and sponsored activities in the college under the jurisdiction of that office. The Vice President for Instructional Services has approval and oversight responsibilities for academic offerings, personnel, and expenditure of grants, contracts and sponsored program funds within budgets. In the event that there are special questions related to a proposal regarding course work, program or curricula offerings; students; faculty personnel; and related matters. The VPIS is involved in the decision-making process.
- The Vice President for Administrative and Student Services has oversight responsibilities for matters related to maintaining the chart of accounts for all sponsored projects. The Vice President for Administrative and Student Services is the President's principal advisor regarding fiscal policies. Other duties include: negotiating indirect cost rates, reporting on grants, contracts and sponsored program financial activities, and communicating with State and Independent auditors. The Vice President for Administrative and Student Services serves as the college's authorized fiscal agent. The Vice President has the responsibility for the physical facilities environment in which research and other sponsored projects are conducted including alterations, renovations, repairs, equipment purchases, maintenance, housekeeping, safety and security.
- The Vice Chancellor for Human and Fiscal Affairs serves as the general counsel and principal advisor to the college regarding legal matters related to grants, sponsored projects, contracts, patents, licenses and copyrights.

Oversight responsibilities also rest with other college personnel:

- The Deans and Directors of the College oversee sponsored program activities performed in their divisions. They serve as central coordinating points for projects conducted in their units. Recommendations are made regarding the nature and scope of projects being proposed, budgetary recommendations, additional space requirements, impact of release time, and proposed new curricular and course offerings.

- The Department Chairperson works closely with the PI/PD. Decisions are made regarding the nature and scope of proposed research and other sponsored activities, appropriate budget requirements, adequate space and staffing, and impact of release time. The chairperson determines if proposed projects fit within the overall goals of the department, the training and interest of the faculty and staff and the academic offerings of the area.
- Principal Investigators (PI) or Project Directors(PD) (used interchangeably in this Manual) are the individuals who have the full and final responsibility of ensuring that the project is conducted as proposed and that all stipulations of the award are met. The PI/PD must ensure that the program complies with all of the terms, conditions, and policies of the sponsor, the college and the State and that all work related to the project is completed. The PI/PD is also responsible for tangible deliverables including all required sponsor and college reports.
- The PI/PD of a sponsored project must be a full-time member of the faculty or staff. Any exception to this policy requires prior approval of the appropriate Chairperson, Dean and/or Vice President.
- The Director of the Title III/Office of Sponsored Programs participates in the formulations of policies affecting sponsored programs and advises the vice presidents and/or President on grants, contracts and sponsored projects policy-related matters at the college. The Director is responsible for processing all grant and contract funding requests to be submitted to federal agencies, national laboratories, foundations, corporations, associations, organizations, philanthropists, local and state governments or other non-governmental entities. Solicitations, proposal assistance and prospect identification and clearance are also provided. The Director serves as the institution's authorized representative for grants, contracts and sponsored program requests.

## OFFICE OF SPONSORED PROGRAMS

### Overview of the Office of Sponsored Programs

Principal administration of grants, contracts and sponsored programs is vested with the Office of Sponsored Programs. The office will be hereafter referred to in the Manual as the Office of Sponsored Programs (OSP). The Office of Sponsored Programs (OSP) was organized to assist potential PI/PD's in the preparation and submission of proposals and in the administration of program grants, contracts and sponsored agreements.

## **Organizational Structure**

The Office of Sponsored Program is administratively located under the auspices of the President. The Office is an integral part of the college and the functions are consistent with the institution's mission, goals, objectives and priorities. The office is a component of the college's infrastructure that is provided to assist in managing grants, contracts and sponsored programs.

## **Major Functions**

The basic function of the OSP is to serve as the primary support unit for grants, contracts and sponsored programs at Lawson State Community College. Accordingly, the unit works closely with academic units and other administrative divisions on academic matters related to sponsored programs as well as with the appropriate financial staff on fiscal matters.

The OSP interprets policies and establishes appropriate procedures to ensure that all submissions and expenditures related thereto comply with regulations and policies of the College, the State of Alabama and the funding agencies. Further, the OSP is responsible for identifying potential funding sources and communicating such information to the faculty. The Office assists with the development of preliminary and full proposals. The OSP is responsible for ensuring that proposals conform to all agency requirements, that the proposed financial arrangements are correct and consistent with the college's requirements, and that special commitments have received internal review and endorsement. Since this unit is the center of grant and contract administration, it functions as the liaison between funding agencies, faculty members, and other campus offices on grants, contracts and sponsored program related matters.

In addition to assisting the faculty and staff in acquiring resources to enhance their professional growth and academic excellence and that of their students, the OSP has the responsibility of informing the college community of its success in the development arena. Faculty and staff members are informed of grant/contract awards, potential funding sources, and other news via e-mail. The OSP may also assist faculty and staff with proposal development. The office provides:

- Background information on the college and the community;
- Editorial assistance;
- Budgetary preparation assistance and clearance;
- Acquisition of endorsements; and
- Technical assistance and grantsmanship workshops.

The OSP will also provide the following additional services:

- Word processing/typing assistance; and
- Short-term equipment loans.

## **POLICIES OF THE COLLEGE AFFECTING GRANTS, CONTRACTS AND SPONSORED PROGRAMS**

### **Special Provisions**

Whereas responsibility for the quality of sponsored activities at the college rests with the faculty, the college accepts responsibility for negotiating awards and in accepting awards that are made pursuant to such negotiations. The college imposes a requirement for a formal review and approval of proposals that are prepared for submission to external funding agencies.

## **ASSURANCES AND CERTIFICATIONS**

### **Overview**

All Federal agencies require that the college has in place formally promulgated policies related to the topics listed below. The requirement dictates that a certificate of compliance must be submitted prior to the grant or contract award.

### **Anti-Lobbying**

Standard Form LLL certificate provides that no federally appropriated funds have been paid or will be paid, by or on behalf of the person signing the assurance; to any person for influencing or attempting to influence an officer or an employee of any agency; a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract or grant; the making of any federal loans; the entering into of a cooperative agreement; and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement. Further, the certification provides that if any funds other than federally appropriated funds have been paid or will be paid for the services mentioned above, the PI/PD shall complete and submit Standard Form-LLL-A, "Disclosure Form to Report Lobbying," in accordance with its instructions. This certification is a pre-award requirement. Appropriate forms should be a part of the application package or may be secured from the Office of Sponsored Programs.

### **Conflict of Interest**

Full-time employees of Alabama Community College System institutions may, with the approvals described below, contract to perform independent research, to furnish services as a consultant, or both, provided that such activity: (a) does not interfere with the performance of other responsibilities as an Alabama Community College System employee; (b) is limited in time; (c) is compatible with the interests of the individual employing institution; and (d) does not require use of institutional resources or facilities.

Because of the great variation in the nature of employee expertise and outside activities, it is difficult to establish specific rules or time allocations for outside consulting activities. It is the responsibility of the employee, Department or Division Chair, Dean, Vice President and

President to exercise judicious oversight and control of consulting activities so that no institutional or System functions or policies are neglected. Written prior approval to participate in any outside consulting activities shall be obtained from the President through the appropriate Department or Division Chair, Dean and/or Vice President. Activities which shall be exempt from the requirement for prior approval include those things which, assuming they do not constitute a conflict of interest or conflict of commitment, are generally recognized as professional responsibilities, are limited in time, and do not involve the use of institutional resources. Examples of such activities might include: (a) participation in uncompensated manuscript review, grant/contract review, or academic program review; (b) uncompensated professional studies or services for not-for-profit entities; and (c) occasional compensated or uncompensated seminars, presentations, or performances for civic groups or at schools, colleges, universities, research institutes, or for-profit businesses.

All other external consulting activities which draw upon the knowledge and skill of an employee require prior approval. Such compensated activities usually will include, but are not limited to: (a) one-time or multiple visits to a business for the purposes of offering advice and counsel; (b) carrying out investigations or studies which are not institutional grants or contracts; (c) a series of non-institutional lectures or performances; (d) serving as an expert witness; (e) rendering other specific professional services. Where relevant, all employees must complete a Conflict of Interest Form.

### **Civil Rights, Handicapped Individuals, Age and Sex Discrimination**

The college must provide assurance of compliance with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title IX of the Education Amendments of 1972, and the Age Discrimination Act of 1975. Lawson State Community College assures that it will prohibit discrimination on the basis of race, color, national origin, handicap, sex, age in program or activities receiving Federal financial assistance. The institution agrees that compliance with this assurance constitutes a condition of continued receipt of assistance, and that it is binding upon the applicant, its successors, transferees, and assignees for the period during which such assistance is provided. Furthermore, the college assures that all contractors, subcontractors, sub grantees or others with whom it arranges to provide services or benefits to its students or employees in connection with its education programs or activities are not discriminating in violation of the above statutes, regulations, guidelines, and standards against students or employees. The college has on file with all of the Federal agencies, a copy of its compliance with the Civil Rights Act of 1964 and relevant amendments.

### **Drug Free Workplace**

The Drug-Free Workplace regulation requires that all grants awarded must provide certification that it will maintain a drug-free workplace. In compliance with the Drug-Free Workplace Act of 1989, the Higher Education Act of 1965 (Section 1213) and the Drug Free Schools and Communities Amendments of 1989 (P.L. 101-226, Section 22) Lawson State Community College has adopted a Drug Policy/Education Program for its students and employees. The policy serves as the guidelines for disciplinary actions necessitated by alcohol and drug use during college

related activities on and off campus. An educational program has been developed as a companion to the basic requirements set forth by the Federal government to assure the well-being of the students and employees. Form Ed 80-0005 which must be completed for certification regarding drug-free workplace requirements for grantees who are individuals and Form Ed 80-0004 which must be completed for grantees other than individuals. This certification is a pre-award requirement.

### **Debarment and Suspension**

Certification regarding debarment, suspension, and other responsibility matters is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 34 CFR Part 85, Section 85.510, Participants' responsibilities. The prospective participant certifies to the best of his knowledge and belief that its principals are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency; have not been convicted of or had a civil judgment rendered against them for fraud or a criminal offense in connection with obtaining or performing a public transaction; are not presently indicted for or otherwise criminally or civilly charged by a government entity; and have not had one or more public transactions terminated for cause or default within a three-year period preceding the application/proposal. This certification is a pre-award requirement.

### **Non-Delinquency on Federal Debts**

The Department of Health and Human Services, Public Health Service (PHS) requires that individuals submitting applications for fellowships or research service awards from PHS and individuals signing a grant application as the applicant organization's authorized representative are required to certify as to their non-delinquency on Federal debt (face page of Form PHS 416-1 for individuals and face page of Form PHS 398 for organization's authorized representative). Federal debt includes delinquent taxes, audit disallowances, guaranteed or direct student loans, Federal Housing Administration (FHA) loans, business loans, and other miscellaneous administrative debts. This certification is a pre-award requirement. The forms required are usually included in the application packet or may be secured directly from the funding agency.

### **Health and Safety**

Lawson State Community College is committed to provide a safe and healthy environment for its employees and students. The college ensures that regulations pertaining to compliance requirements for health and safety standards in the workplace are enforced, including compliance with the Occupational Safety and Health Association (OSHA) regulations.

### **Award Types**

A wide selection of contract types and other awards are available to provide needed flexibility and deliverance of products or services. The award may be made in the form of a grant, sub-grant, contract, subcontract or cooperative agreement. The type of award given will

be determined by the type of service or product and the degree of contractor/grantee involvement. Grants are usually given in evidence of an end product or deliverable. Contracts require deliverables within a restricted time line and budget. Cooperative agreements are instruments that allow the sponsor and the college to share in both the conduct and benefit of the product.

- **Contracts**

Contract types vary according to (1) the degree and timing of responsibility assumed by the contractor for the cost of performance and (2) the amount and nature of the profit incentive offered to the contractor for achieving or exceeding the specified standards or goals. The contract types are grouped into two broad categories: fixed-price contracts and cost reimbursable. The specific contract types range from firm -fixed-price, in which the contractor has full responsibility for the performance cost and the resulting profit or loss. The firm fixed price contract provides for a price that is not subject to any adjustments and is most suitable for acquiring certain type deliverables. The cost-plus-fixed-fee type contract requires minimal responsibility from the contractor relative to the performance cost; however, the negotiated fee is fixed. Under the incentive type contract the contractor's responsibility for the performance costs and the fee are tailored to the uncertainties involved in the contract performance.

Cost-reimbursement type contracts provide for payment of allowable incurred costs to the extent prescribed in the contract. These contracts establish an estimate of total costs for the purpose of obligating funds and establishing ceilings that the contractor may not exceed without the written approval of the contracting officer.

- **Grants**

Grants are awards of financial assistance in the form of money, or property in lieu money, that is provided for a specific purpose or service.

## THE PROPOSAL PROCESS

### The Basics of a Formal Proposal Application

The PI/PD is responsible for processing the following items through the proposal process:

- **Proposal Submission Authorization Request (Intent to Submit)**

An Intent to Submit (ITS) Form is required for individual or specific subject-matter proposals. The form is intended to assist the Office of Sponsored Programs with prior planning to facilitate the submission of the proposal. The PI/PD must alert the University of his/her intent to submit a proposal by completing the Notice of Intent (ITS) at least ten (10) days prior to the date of submission.

An ITS is also required prior to submitting institutional, collaborative (inter-institutional alliance (multi-institutional) proposals when college support (matching or otherwise) is required and/or when only one response per institution is stipulated by the funding source. The notice should be executed fully at least thirty (30) days prior to the date of submission.

- **Proposal Review/ Routing Form for Sponsored Projects**

This form provides the necessary information to assist in the orderly internal routing of the proposal. It is an internal document and is not submitted to the prospective funding agency.

This form should be completed in accordance with preprinted instructions. It must also contain the signatures of the PI/PD, chairperson and dean or director, as well as persons responsible for special requirements such as matching funds and space allocation

### **Cover Page**

Most federal and some private agencies supply application forms that include a cover page. This cover page might be the Federal Assistance Multipurpose Standard Form 424, Standard Form 1411, or other such forms. The required cover page will be specified in the RFP. If the sponsor does not provide application forms that include a cover sheet, the following information should be provided:

- Name and address of the sponsor to whom the proposal is being submitted
- Title of proposal
- Amount requested (total budget)
- Proposed period of performance
- Name, address and telephone number of Institutional Representative
- Signatures and date
- Name(s) of Principal Investigator(s)
- Name(s) of Authorized Institutional Representatives

### **Table of Contents**

#### **Abstract**

Most sponsors require an abstract of approximately two hundred (200) words outlining the proposed research and methods or a brief description of the proposed program.

#### **Full Proposal**

The PI/PD is required to submit the full, final draft of the proposal and the required number of copies of the proposal and a transmittal letter to the prospective funding agency. There is no standard format for proposals.

## **Budget Preparation**

An important component of all grants and contracts is the development of a cost proposal or budget. Almost all sponsoring agencies will have established a generally acceptable list of budget items. A few agencies leave these details up to the submitter. The most important point that one must remember when developing a budget, however, is that all items should meet the "JAR" (Justifiable, Applicable and Reasonable) test. If a sponsoring agency has a budget format with specific line items, it must be followed as outlined. Lawson State Community College requires that all costs related to the project be charged to the grant or contract.

The budget section of the RFP should be relied upon for guidance. Budgets should be realistic estimates based on the requirements of the project. Although each sponsor may have a somewhat different format for project budgets, standard cost elements are common to all. It is useful, however, to consider the college's line item categories and chart of account structure when developing budgets.

Direct costs are those costs which can be identified and charged directly to the project or sponsored activity. Examples of such costs include the following:

### **A. Salaries and wages for personnel**

This category includes current and potential employees of the college. Allowances for annual salary increases should be reflected in the budget in accordance with the college's approved annual pay plan. The PI/PD should contact the Office of Personnel Services to determine the pay limits. Tuition payments should be budgeted as a separate line item. Monthly salary for faculty is computed by dividing their annual salary by the number of months in their regular appointment (e.g. faculty appointments of 9 months; 1/9 of that salary). All applications should request full recovery of anticipated salary for percent of effort indicated for all personnel. Compensation for classified personnel should be determined using the range of pay for the desired position established by Postsecondary.

### **B. Fringe Benefits Rates**

The College requires that all budgets submitted that include personnel must also allow for fringe benefits. Fringe benefits are computed as a percentage of salaries and wages. This rate is subject to review and possible adjustment. The PI/PD should contact the Business Office to determine the rate.

### **C. Equipment**

Federal policy stipulates that equipment is defined as any unit item with an acquisition cost of \$5000 or more and a life expectancy of two years or more. State policy defines equipment as tangible personal property having a useful life of more than one (1) year and an acquisition cost of \$1,000 or more per unit. The college complies with the State policy for equipment. The equipment requested must be necessary for the project. General purpose equipment, such as office equipment and furnishings, heating and cooling units, passenger and cargo vehicles, and some data processing devices, cameras and similar items, are generally usable for other than

project activities. They may require specific sponsor prior approval either in the original budget or by subsequent letter to the sponsor.

**D. Travel**

The college allows reimbursement of travel expenses in accordance with the college's travel regulations. This section should include all anticipated travel including airfare, ground transport, per diem and lodging, consultant travel and trainee travel.

**E. Expendable Materials and Supplies**

Examples of expendable materials and supplies include office supplies, duplicating materials, laboratory supplies, glassware and chemicals.

**F. Other Direct Costs**

Examples of other direct costs include: communications (postage, telephone tolls); publications subcontracts (expressed as a lump sum with detailed budget attached); consultants (expressed in a rate per day); service contracts (outside testing, equipment maintenance); computer time; computer software; graphic arts and photographic services; student tuition; and honoraria.

**G. Indirect Cost**

Indirect costs are those that are incurred for common or joint objectives and therefore cannot be readily and specifically identified with a particular sponsored project, instructional activity or institutional activity. All grant proposals submitted to prospective agencies are required to include indirect costs in the proposed budget, unless otherwise prohibited by the agency.

**1. Rate Determination**

The college is required by the Federal Government to develop an indirect cost rate periodically. The rate is based upon an analysis of indirect costs associated with all sponsored program activity for the prior year and is developed by the Business Office.

**2. Use of Indirect Cost**

Examples of costs not readily identified with a particular final objective or incurred for common or joint objectives are:

- Personnel costs for administrative personnel or accounting;
- Travel not directly related to a particular cost project, but to promote the interest of the agency;
- Communication costs related to the administration of the agency;
- Administrative Data Processing (ADP) costs not related to a particular objective or project;
- Costs of operating and maintaining facilities;

- Depreciation or use allowance on common equipment or property such as buildings;
- Memberships, subscriptions and professional activity costs;
- Publication and printing costs when benefiting several activities of the agency.

### 3. Applicability of the Rate

Sponsoring agencies have different policies with respect to payment of indirect costs. Generally, most federal agencies base their awards for contracts and grants on full indirect costs allowed.

Some foundations do not usually contribute the full amount of indirect costs. However, the full amount should be included in the estimated costs. After thorough exploration of the indirect cost reimbursement with the sponsor, the difference in the allowable amount and the allowable amount should be used as the institutional contribution.

#### H. The Curriculum Vitae

Include vitae for all principal personnel. Abbreviated versions are sometimes acceptable.

#### I. Attachments, Appendices, etc

Items which may be attached or added to the formal proposal package are those that would serve to strengthen the proposed statement of work. These could include publications, letters of support, endorsement or cooperation and other relevant materials. Request for letters of commitment or support from the college or collaboration should be discussed with the Director of the OSP.

- All items included in the budget are not contrary to the policies of the college or the funding agency;
- All matching required funds are available, if they are a condition of the award.

### Proposal Processing

The proposal must be approved by certain college officials prior to being submitted to the funding agency. The respective responsibilities of each signee are stated below:

#### Principal Investigator/Project Director

The PI/PD certifies that the information included in the proposal is correct, the project complements or supports the investigator's research, instruction and/or other responsibilities at the college, space, facilities, and matching funds statements have been completed, and commitments have been obtained. Further, the PI/PD agrees to the commitments outlined in the proposal and will fulfill the responsibilities in conformity with college policies and procedures and the funding agency.

### **Department Chairperson**

The official review and signature of the Department Chairperson, constitute an endorsement attesting to the academic purposes of the proposed activity; knowledge and approval of the contents of the proposal; its divisional/departmental compatibility; its appropriateness in the context of budget; accuracy of the budget; salaries and employment of present and proposed personnel; adherence to regulatory compliance including biohazard materials, health and safety, availability of space, equipment and staff time; project falls within the administrative structure of the unit; and any other aspect of the proposal which affect teaching, and use of space and facilities of the Department. The Chairperson must personally sign the transmittal form. If approval is not granted, a statement of justification should be attached. In the case of interdepartmental, interdisciplinary or intercollegiate programs, the signatures of the administrative heads of all collaborating units should be obtained on the proposal routing form.

### **Dean**

The Dean's review relates to the knowledge and approval of the contents of the proposal; substance and merit of the proposal; and concurrence with the submission of the proposal which is consistent with the role, scope and mission, educational and research thrusts of the unit. The Dean also has the responsibility for knowing if the proposal provides for: new or expanded programs; new faculty appointments; impact of tuition for students; appropriate faculty salaries; change (e.g. reduction) of teaching load of faculty involved; interdepartmental efforts; intercollegiate efforts; additional space requirements; initial review and approval of matching funds or cost-sharing; and any other unique aspect of the proposal which affects teaching, research, and use of other resources in the College or School. The Dean/Director must review the submission and sign the transmittal form.

### **Vice President for Instruction**

The Vice-President for Instruction's signature attests to the merit of the proposal. The signature supports concurrence with the submission of the proposal and ensures curriculum, programmatic, budgetary and other inclusions that would impact the college are approved.

### **Director of Grants, Contracts and Sponsored Programs**

Review by the Director of the OSP ensures that the proposal has been approved by appropriate persons; budgets reflect appropriate financial requirements; college policies and procedures have been followed; the proposal is complete; the approval signatures are in order; assurances have been met; and the proposal meets the general administrative policies and procedures of the college and the potential sponsor. Any unusual requirements should be brought to the attention of the Director of OSP, by the PI/PD, who will obtain approval from appropriate college officials to deviate from normal policies and procedures when such is required.

### **Vice President for Administrative and Student Services**

Review by the Vice President ensures that all budgets are accurate and have been developed in the best interest of the college; and that all other fiscal requirements of the proposal are appropriate and comply with college, State, Federal, and Private guidelines.

All proposals submitted to external sponsors must be signed by an authorized institutional representative. The President or his designee is the authorized representative for Lawson State Community College. Because awards are made to the college and not to the individual faculty member, this endorsement indicates to the sponsoring agency that the proposal has institutional approval and that the college will take responsibility for the project. .

### **Full Proposals/ Routing/ Approvals**

The Proposal Review/Routing Form, is to accompany all proposals submitted to OSP for institutional endorsement. In addition to reflecting the approval by the department, college, school, institute or center involved, the routing form also provides the OSP with information necessary to maintain an accurate and full accounting of all proposal submissions for institutional records. The OSP will not process a proposal without the accompanying Proposal Review/Routing Form. It is the responsibility of the PI/PD to initiate the form and obtain the necessary signatures (generally the PI/PD, the department chairman, the dean, etc.).

Lead time required for review of a proposal varies with its length, complexity, completeness, accuracy, and the care taken in its preparation. It also depends upon the number of other proposals being processed by the OSP when it is received. To allow sufficient time for corrections/ revisions, unexpected problems, and to provide greater assurance that the target deadline will be met, the proposal developer should allow at least seven (7) full working days from the time the proposal is submitted to OSP. Proposals which contain unique or unusual requirements (e.g. letters of support, teaming agreements) may require additional lead time.

The PI/PD must route the proposal through the appropriate University officials whose review and approvals are required prior to the submission to the prospective funding agency. This review is concerned with the following factors:

- The substance and merit of the proposal. This review includes the academic appropriateness and desirability of the proposed project as a sponsored activity
- The commitments of faculty and staff time. It is important that the possible effects on the teaching and other obligations of the personnel are clearly detailed
- The proper approach to salary arrangements. If summer employment and/or release-time are included, the college must make certain that both the rates and time factors are accurate

- The availability of space and facilities. The college will want to make certain that these requirements are both appropriate and available
- The appropriateness of the budget. It is important to verify that all costs, including indirect costs, have been taken into consideration.
- All fiscal needs are realistically estimated and stated.

### **Proposal Revisions**

Often a proposal may be accepted on its technical merit, but the funding agency may request changes in the scope of work or budget prior to funding. In the event a revision substantially alters the statement of work, the time/effort of the faculty or staff involved, the budget, or the college's cost-share portion of the budget, the department chairperson and the Director of the OSP must review and approve the application prior to resubmission to the sponsoring agency.

In the event the funding agency requests a budget revision or modification prior to funding, a Budget Revision Form should be completed with all authorizing signatures acquired and submitted to the OSP.

### **Unofficial Proposals**

All proposals submitted to an external agency on behalf of the college must be routed through the college for review and approval. Proposals that are not endorsed by the college will be withdrawn from consideration.

## **AWARD NOTIFICATION, ACCEPTANCE AND SPENDING AUTHORIZATION REQUIREMENTS**

### **Notification of Funding**

A written notification of award or acceptance of offer will be furnished to either the President or the Office of Sponsored Programs by the awarding agency. The award notification will set forth all terms and conditions of the grant or contract. The terms and conditions should include the following information:

- Agency project identification number
- Award period
- The award amount
- Principal Investigators
- Terms of acceptance
- Other applicable information whether listed or incorporated by reference
- Authorized signature of the awarding agency

Award documents should be transmitted to the OSP by the President or the funding agency. In the event that the award document is received by the PI/PD's administrative unit, it should be transmitted to the OSP immediately. Upon receipt of the award notification, the OSP will review the award to insure that it complies with the original proposal. The office will then confer with the principal investigator and other administrators to discuss and resolve any discrepancies.

### Acceptance

Official acceptance of awards for the college will be made by the OSP under authority designated by the President. PI/PD's are cautioned not to sign agreements. Agreements bind the college to certain obligations and, as such, can only be signed by the President or those who have been delegated signature authority by the President. Individuals signing agreements to whom authority has not been officially delegated are subject to disciplinary actions by the college and separation from the college.

### Assignment of Account Number

Once the sponsored agreement has been executed by both the college and the sponsor, the OSP will transmit copies of the agreement and the proposal with an approved budget to the Business Office and request that an account number (budget code) be established for the project. In order to facilitate the assignment of an account number, the following documents must be included:

- A copy of the proposal
- A copy of all grant/contract procedures
- A copy of specific terms and conditions, if applicable
- A copy of the fully executed award/contract
- A copy of all reporting and billing forms
- A copy of the final negotiated and approved budget
- A copy of the budget by object classification in accordance with the established classification of the college

### Record Keeping/Retention

It is required under standard regulations, that all records pertinent to the overall performance under the terms of an award be maintained for review and documentation during the entire period of the award. These records include those necessary to document both programmatic and financial compliance. Generally all records that are pertinent to the grant **must** be held for a period of at least three years after the date of submission of the final report. If any litigation, claims, negotiations, audits or other actions involving the records has been started before the expiration of the three (3) year period, the records must be retained until completion of the action and resolution of all issues which arise from it. There may be noted exceptions and the project director should refer to the appropriate award document for additional directives.

The records of the project are the property of the college and should not be permanently removed for any reason. If the PI/PD leaves the college, all records should be submitted to the department head or dean.

### **Statutory and Regulatory Requirements**

The college is required to comply with the statutory and regulatory requirements listed below:

- Political activities
- Civil Rights
- Cash Management
- Required Financial Reporting
- Allowable cost/cost principles
- Drug Free Workplace Act
- Ethics Disclosures

Prior to expending funds under the award, the project director must be fully cognizant of the statutory and regulatory requirements and insure compliance in all areas.

### **GRANT/CONTRACT MODIFICATIONS**

#### **Programmatic Changes and Budget Changes**

Approval of the granting agency must be received to make:

- Changes to project scope or objectives;
- Changes in key personnel or a significant change in the level of effort of key personnel;
- Changes which transfer (through sub granting or other means) financial assistance or substantive programmatic work to a third party;
- Provide medical care to individuals under research grants

- Other changes that have been specifically stipulated in the award document.

### **Budget Changes**

The following budget changes require prior approval of the granting agency:

- Any revision requiring additional funding;
- Unless waived by the awarding agency, cumulative transfer among direct cost categories or among separately budgeted programs exceeding 10% of current total approved budget, whenever the awarding agency's share exceeds \$100,000;
- Transfer of amounts previously budgeted for student support (e.g. tuition waivers, stipends, training allowances);
- Unless waived by the awarding agency, transfer of amounts budgeted for indirect costs to absorb increases in direct costs;
- Unless waived by the awarding agency, creating new budget line items not approved in the grant agreement.

Other revisions specifically stipulated in the award document.

External budget transfer should be accomplished in accordance with guidelines of the funding agency and the college.

### **Internal Budget Transfer/Modifications/Revisions**

Transfer of funds from one object to another for allowable expenditures is permitted at the discretion of the PI/PD, if required to accomplish overall program objectives. Budget transfers, modifications and revisions are permissible if (1) all restrictions and/or guidelines of funding agencies are adhered to and (2) requests are made and appropriate approvals received.

### **Changes in Grant/Budget Period**

The awarding agency delegates authority to the college to commit and expend funds for allowable costs in support of the project, up to the amount specified in the award letter, at any time during the grant/budget period. The grant/budget period is the period of time between the effective date and the expiration date. The effective date of a grant or other agreement will not change unless the change is justified by exceptional circumstances.

A no-cost extension may be requested if additional time is required to assure adequate completion of the original scope of work with the funds already made available under the award document.

The PI/PD is cautioned not to make new commitments or incur new expenditures after the expiration date in anticipation of a no-cost extension.

### Supplemental Cost Extension

A supplemental cost extension may be requested if funds provided by a grant or other agreement are insufficient to complete the original scope of work.

A request for supplemental support should include:

- A brief justification of need; and
- A signed budget highlighting the use (by budget category) of the additional funding required.

Changes in the grant periods for no-cost extensions and supplemental cost extensions must be initiated by the PI/PD and submitted to the OSP as recommended to the college. This recommendation must be supported by a budget document reflecting funds approved and funds to be expended during the grant extension periods. The OSP will secure a cover letter signed by the President or his designee to transmit the extension request to the funding agency.

### Carryover Authorization

Funding agencies, from time to time will authorize the carryover of funds to complete the original scope of work as defined in the award. The restrictions and the amount of allowable carryover will vary, depending on the agency involved.

Various funding agencies have pre-approved criteria that establish the amount and authorized period for which funds can be used. The PI/PD is advised to refer to the guidelines of the governing agency to determine if a pre-approved carryover regulation exists for their particular program. If an official request to carryover funds is needed, the PI/PD should work with the OSP and the Business Office to coordinate the submission of required documents. If a financial report is required to substantiate the amount of funds available for authorized carryover, the PI/PD should request the necessary information from their respective college's appropriate authorizing official. Upon receipt of an approval to utilize carryover funds, the Office of Sponsored Programs should submit the necessary documents to the Business Office to facilitate the use of funds. The following documents are required prior to expending funds:

- An approved carryover authorization from the funding agency, if required by the agency;
- An approved budget reflecting the amount of the carryover authorization;
- Certification of no change in scope or a change in scope authorization.

### **Utilization of Carryover Funds**

All carryover funds authorized must be used by the date specified in the carryover authorization. Pre-approved carryover funds should be used as soon as possible following the original expiration date, but no later than one (1) year.

### **Compensation for Personal Services**

#### Time and Effort Reporting

Office of Management and Budget (OMB) Circular A-21 requires that the University provide verification of time and effort for all grant and sponsored program personnel whose salary is paid from multiple sources. This after-the-fact certification involves a percentage distribution of the activity of employees and is signed by the employee, the appropriate PI/PD, departmental chairperson and other key administrators. It is incumbent upon individual faculty members and other professionals to bring to the supervisor's attention any significant change in their professional efforts. A Time/Effort Form should be completed monthly for all employees paid with funds from contracts or grants. The Personnel Action Form reflects that share of an individual's salary which is chargeable to a grant, contract or sponsored program.

## **PROFESSIONAL, PERSONAL, CONSULTING AND SOCIAL SERVICES**

### **Procedures and Regulations**

#### General

Often projects require the services of external consultants. When engaging the services of an external contractor or independent consultant, the PI/PD should keep in mind the following requirements:

#### A. Consulting Services

Work, other than professional, personal or social service, rendered by either individuals, or firms who possess specialized knowledge, experience, and expertise to investigate assigned problems or projects and provide counsel, review, design, development, analysis, or advice in formulating or implementing programs or services or improvements in programs or services, including, but not limited to, such areas management, personnel, finance, accounting, planning, data processing, and advertising contracts except for printing associated therewith.

## **STANDARD PROCUREMENT PROCEDURES**

## Policy

In accordance with the Purchasing Rules and Regulations established by the State of Alabama, all faculty, staff and student organizations, must abide by State guidelines for purchasing goods on behalf of the college.

It is the grant recipient's responsibility to comply with provisions of all applicable State, and Federal laws and executive orders in the procurement of supplies, services and other charges as allowed under each individual agreement. Standards and guidelines established in Office of Management and Budget (OMB) Circular A-110 are furnished to ensure that such materials and services are obtained in an efficient and economical manner. These standards do not relieve the recipient of the contractual responsibilities arising under the contract. The recipient is the responsible authority, to the sponsoring agency regarding the settlement and satisfaction of all contractual and administrative issues arising out of procurement entered into in support of a grant, contract or other sponsored program. All Lawson State Community College procurement policies and procedures and those outlined in OMB Circular A-110 must be followed.

## Purchases of Services, Supplies, and Other Charges

### Operating Services

Operating services include expenses for services other than personal and professional services required by the PI/PD in the administration of its assigned functions or which are legally obligatory on the sponsored project. Such services may be provided by some agency of the State or by private business organizations. Major classifications include the following sub-objects:

- A. Advertising - Advertising space in newspapers, periodicals, magazines, etc.
- B. Printing - All printing and reproduction charges, contractual or otherwise.
- C. Insurance - All insurance and bonds except group hospitalization and life insurance.
- D. Maintenance of Property and Equipment - Service contracts, repairs to and maintenance of property and equipment performed by an outside agent. Includes extermination and other chemical services.
- E. Rentals - Building, land, and equipment rentals.
- F. Dues and Subscriptions - Institutional membership in professional organizations and subscriptions to periodicals. Individual memberships are not allowable.
- G. Postage - All postage, including metering machine rentals, messenger service and post office box rentals.
- H. Telephone and Telegraph - All charges for telephone and telegraph services.

- I. Utilities - Heat, light, power, sewerage, and water.
- J. Laundry - Cleaning of mop heads, tablecloths/napkins, and uniforms.
- K. Laboratory Fees
- L. Computer Services - Computer searches for information.
- M. Software - Software packages, licensing, upgrades.

### Supplies

Supplies include articles and commodities which are consumed or materially altered when used. The following sub-objects constitute the major categories.

- A. Office Supplies - Office stationery (no printing), forms, small items of equipment (calculators, small heaters, etc.), diskettes, templates, maps, pens, copier paper, etc.
- B. Entertainment Costs - OMB Circular A-21 defines entertainment costs as those costs that are incurred for amusement, social activities, entertainment and any items relating thereto, such as meals, lodging, rentals, transportation and gratuities. Entertainment costs chargeable to a grant, contract or sponsored program are unallowable. Prior written approval must be received from the sponsoring agency to incur entertainment costs.
- C. Meals for Meetings and Conferences - OMB Circular A-21 stipulates that the cost of meetings and conferences when the primary purpose is the dissemination of technical information, are allowable. This includes cost of meals, transportation, rental of facilities, and other items incidental to such meetings or conferences.

### Equipment/Acquisition

OMB Circular A-110 defines equipment as any unit item with an acquisition cost of \$500 or more and a life expectancy of two years or more. State policy defines equipment as tangible personal property having a useful life of more than one year and an acquisition cost of \$1000 or more per unit. The equipment requested must be necessary for the project. General purpose equipment, such as office equipment and furnishings, heating and cooling units, passenger and cargo vehicles, and some data processing devices, cameras and similar items, are generally usable for other than project activities. These items of equipment may require specific sponsor prior approval either in the original budget or by subsequent letter to the sponsor. Major classifications include the following

sub-objects:

- A. Land - Land, rights of way, etc. purchased.
- B. Buildings and plants
- C. Machinery and equipment:
  - 1. Automotive - Automobiles, trucks and trailer.
  - 2. Buildings, Grounds & General Plant - Immovable or stationery equipment for building general plant needs.
  - 3. Office - Equipment utilized in office operations including office machines, furnishings and fixtures.
  - 4. Educational, Recreational and Cultural - all equipment used for instruction and/or recreation of students.
  - 5. Library Reference Material - Books, films, microfilm, records and periodicals when maintained in a library for project use.

### Major Repairs

Major repairs include major repairing to and improvements in buildings, land and general plant. Major classifications include the following sub-objects:

- A. Land includes major landscaping projects, major repairing and improving roadways and parking areas.
- B. Buildings and Equipment includes major repairs or renovations made to existing buildings or facilities.

### Other Charges

Other charges represent expenditures peculiar to and otherwise chargeable to other expenditures. Major classification of sub-objects include the following:

- Awards - Participant recognition for meritorious achievement.
  - Stipends - Faculty, staff and non-college participants may receive stipends to assist in defraying costs while participating in training workshops or conferences. Students may also receive stipends while enrolled in classes. The allowance must be reasonable and in conformance with the policy of the grantee organization. The criteria for selection and/or any related documentation must be attached to the request for payment. A stipend is not intended for use as a method of paying salaries and/or wages.
- B. Fellowships

The unit head must notify the Office of Personnel Services of the fellowship recipient,

award amount and specific instructions pertaining to award criteria.

## PROGRAMMATIC COMPLIANCE/TECHNICAL REPORTS

### Overview

Federal sponsoring and other grant agencies require specific information about program performance usually on an annual basis; however, some agencies require that reports be submitted on a more frequent basis. Grant proposal guidelines usually inform the project director of reporting requirements. The PI/PD is responsible for managing the day-to-day operations of grant and sponsored activities. The PI/PD must monitor grant and sponsored activities to ensure compliance with applicable agency requirements and performance goals are being achieved.

### Policy

Performance reports shall normally contain brief information on the following:

- A comparison of actual accomplishments to the objectives established in the proposal;
- If established objectives were not met, the reasons for slippage should be noted;
- Analysis and explanation for cost overruns;
- Other applicable information required by the sponsoring agency.

The sponsoring agency should be notified of developments which may have significant impact on the grant or sponsored activity. Specifically, the agency should be notified of:

- Problems or delays which may impair the ability to meet the proposed objectives; and
- Favorable developments which will permit the PI/PD to meet objectives sooner than scheduled or at less cost than anticipated.

All project directors will inform the OSP of all compliance requirements mandated by the agency at the time of receiving the award. In addition, the project director will present a summative narrative of programmatic results for review and approval two weeks prior to submitting required reports and/or forms to the granting agency.

## PROPERTY INVENTORY, UTILIZATION AND DISPOSITION

### Procedures and Regulations

#### General

Each department head to whom public property and equipment is entrusted shall be the custodian of such property and shall be responsible for this property within his/her department until relieved of this responsibility.

All property/equipment which is acquired whether through purchase, donation or transfer, shall become the property of the college and of the State, and is subject to these policies and procedures. While property/equipment is the custody of the responsible PI/PD he/she will ensure its proper utilization and take all precautions to prevent its loss, theft, damage, or

destruction.

### **Property Inventory**

- A. All property which has been acquired, whether through purchase, donation, or transfer from outside sources and has a value of \$1,000 or more is required to be tagged with a property control tag.

### **Annual Inventory**

- A. It is a state requirement that a physical inventory of all accountable property items be conducted annually. Every item must be accounted for by the Property Custodian or a written explanation of missing items provided. All items reported missing must be accompanied by a written justification from the area and/or a college Police Report.

## **GRANT CLOSEOUT, SUSPENSION AND TERMINATION**

### **Overview**

Closeout of a grant or other agreement is the process by which the sponsoring agency determines that all applicable administrative actions and required work of the agreement have been completed by the College and the sponsoring agency. The date of completion is the date on which all work under grants and other agreements is completed or the date on the award document, or any supplement or amendment thereto, on which sponsorship ends. Each grant shall be closed out as promptly as is feasible after expiration or termination. In closing out grants and other agreements, the subsequent procedures shall be observed.

### **Technical Closeout**

The college is obligated to satisfy the established closeout procedures required by each sponsoring agency. To meet this requirement, the PI/PD must submit to the OSP the following items by the date of completion:

- A final narrative, technical (performance) report on the project;
- Official copies of inventory report, request for transfer, and final disposition of property from sponsoring agency;

The OSP, the official unit of record at the University for grants and other agreements, shall maintain copies of all technical reports and other records for the period of time prescribed by the sponsoring agency, the State, or Federal government for audit purposes or other official reviews. All financial records and reports, including those for disallowed costs, shall be maintained by the Business Office.

## Suspension and Termination

**Suspension** of a grant or contract means temporary withdrawal of the grantee/contractor's authority to obligate funds pending documented corrective action or a decision to terminate the grant/contract. Close out procedures are not required during the suspension or stop work period; however, the appropriate college official must be notified immediately of this action.

**Termination** means the permanent withdrawal of the authority to obligate previously awarded funds under the terms of a grant or award and the ceasing of all work previously authorized under the terms of a contract. The funding agency usually reserves the right to terminate the grant/contract issued to the college in whole or in part. Almost every contract issued by governmental agencies includes a contract termination clause.

There are two (2) types of termination: (1) termination for default or cause and (2) termination for convenience. Termination for default occurs when the funding agency determines that the college as contractor, has failed, or will be unable to perform its contractual obligations. A termination for convenience occurs when the funding agency determines that it is in their best interest to terminate work under the contract and no blame is attached. When a project is terminated, no new obligations may be incurred and normal close out procedures in addition to termination settlements must be observed.

## EXTERNAL AUDITS

### Purpose

The purpose of this section is to familiarize grant personnel with the general guidelines for external audits of federal, federal flow-through and non-federal grants and contracts awarded to the college

### Authority

Audits are conducted in accordance with the provisions set forth in the following authoritative documents:

### Federal and Federal Flow Through Funds

- A. OMB Circular No. A-128, Audits of State and Local Governments;
- B. OMB Circular No. A-21 Cost Principles for Educational Institutions;
- C. OMB Circular No. A-110, Uniform Requirements for Grants to Universities, Hospitals, and other Non-profit Organizations;
- D. OMB Circular No. A-133, Audits of Institutions of Higher Learning and Other Non-Profit Institutions.

### **Federal, Federal Flow Through and Non-Federal Funds**

- A. Specific provisions set forth in the grant/contract documents applicable to a particular funding agency;
- B. State procurement regulations;
- C. Lawson State Community College policies and procedures.

### **Frequency of Audits**

Audits shall be performed annually.

### **Types of Audits**

There are several types of audits as described below:

#### **Financial Audit**

In financial audits, auditors express opinions on governmental external financial statements.

#### **Financial and Compliance Audit**

In financial and compliance audits, auditors: a) express opinions on financial statements; and, b) provide additional specific assurances about the governmental unit's compliance with finance-related legal and contractual provisions.

#### **Program Compliance Audit**

In program compliance audits, auditors express opinions on the: a) recipient's compliance with the provisions of particular Federal grant program agreements; and, b) the governmental unit's eligibility for Federal funds under those programs.

### **SITE VISITS**

A site visit is usually conducted by the sponsoring agency to review various activities of the grant program along with the documented overall effectiveness of the project. Site visits are usually performed by the agency's program officers. At the time a program director is notified of a pending site visit, the director should immediately inform the President. The program officer's review includes reviewing program activities and program and/or student files to ensure that the activities comply with applicable rules and regulations and that what the staff say they are doing is being recorded.

Prior to leaving the program site, the program officer holds an exit conference with the project director and/or staff. The program officer discusses what was found, his/her impression of the program, and recommendations for improvement, if any. A formal exit conference should be held with the President or his designee. If the President desires, this conference may be an abbreviated form of the exit held with the project director and staff discussing only the major or material financial and/or non-compliance findings of the program. A copy of the report on the

site visit should be kept on file and a copy should be sent to the President and other appropriate personnel.

## **APPENDIX**

## ***BUDGETING FOR EXTERNALLY FUNDED GRANTS AND CONTRACTS***

### **POLICY**

Lawson State Community College is not a research institution but will pursue grants from local, state and federal sources that offer funds to Postsecondary educational institutions. Applications will be prepared for funds that relate to the mission, goals and objectives of the College.

An evaluation of each grant will be made by the President/President's Cabinet to determine its usefulness to the College. All grant applications are submitted to the awarding agency through the Office of Sponsored Programs(OSP). After the grant has been funded, the Office of Sponsored Programs (OSP), the appropriate dean, the grant director, and the Grants Accountant will be responsible to administer the program. Periodically, programmatic and financial progress reports will be furnished by the Business Affairs Office to the President and the President's Cabinet for evaluation.

### **PROCEDURE**

#### **1. Grant Selection**

Procedures to identify grants that will enhance the mission, goals and objectives of the college are:

- a) Identify sources of grants and the procedures to be followed in making application.
  - b) Determine the financial obligations of the College for providing matching funds, and continuing the project after grant funds terminate.
  - c) Determine the liability, authority and control of the College in administering the grant.
- The President's Cabinet may require a written statement from the appropriate department head, affirming that the purpose of the grant conforms to the existing educational programs.

#### **2. Grant Administration**

The Vice President of Administrative and Student Services will secure a copy of the grant application, grant authorization and the negotiated budget and forward a copy to the Accountant(s). A separate file will be maintained for each grant that includes these documents. A chart of accounts will be established for each grant according to the Alabama Community College System's *Chart of Accounts*. The budget for revenue and expenses will be entered into the accounting system using procedures described on the **ACCESS Financial System**.

The Alabama Community College System's Chart of Accounts is the basis for establishing accounting codes for all budgets. The Chart of Accounts provides the college with accounting codes for institutional use. Lawson State has specifically identified additional accounting codes for tracking grants specific costs such as:

639	Contract/Professional Service Costs
677	Stipends
678	Cultural Enrichment
679	Student Travel
680	Student Grant & Aid
697	Indirect Costs

Upon notification from the Office of Sponsored Programs (OSP) that an external grant has been approved for Lawson State Community College, a copy of the approved award is forwarded to the Vice President for Administrative and Student Services and Director of Accounting. The Financial Aid Director submits financial Aid Awards.

The Vice President or Director of Accounting will forward the approved budget to the Grants and Contract Accountant and General Ledger Accountant. The Grants and Contract Accountant will verify the amount of the budget and will review the budget for the approved general ledger coding. If the budget is not in balance or there is a discrepancy in the funding cycle, the budget will be returned to OSP for reconciliation or correction and the Budget Manger will be notified.

The general ledger accountant will establish a four-letter budget code for the approved grant and enter the budget center for the grant in the administrative software (ACCESS). The grants and contracts accountant and general ledger accountant and will review the budget center to validate that all budgetary line items have been added as approved by the funding agency; and that all users have the right to view the budget for the current fiscal year.

The general ledger accountant and/or the grants and contract accountant will enter the approved budget in the administrative software system for the approved funding year. The accountant will establish a four-letter receipt code for the current budget year. The grants and contract accountant, accounts receivable manager and the cashier will be notified of the code for the purpose of receipting cash draw downs or invoice payments.

The Budget Manger and the OSP will be notified that the grant has been entered in the administrative software; the Payroll accountant will be notified of the budget center for payroll distribution for the current funding year. If the grant has a student aid component the accounts receivable manger will be notified that the general ledger accounts are available and the financial aid codes can be entered.

Once the grant has been completely set up in the administrative software the budget manger can

process requisitions or make awards to students. All expenditures made from the grant will be coordinated through the college's purchasing process.

The Vice President(s) will communicate the requisition approval process. When departmental approvals have been completed, the requisition is forwarded to the Office of Sponsored Programs for review and approval. The OSP will forward the requisition to the President for approval. The President forwards all approved requisitions to the Business Affairs Office (BAO).

When requisitions are received in the BAO, they are logged in the requisition ledger. Requisitions are then forwarded to the grants and contract accountant for review for budgetary controls. Also the grants and contract accountant will review the requisition for the correct chart of account coding of budget line items according to the Department of Postsecondary Education policy manual and the approved category from the funding agency. If there is a discrepancy, the budget manger will be notified that a budget revision is needed and/ or the requisition will be returned to OSP for a budget revision or correction.

If the requisition has no discrepancy it is forwarded to the cashier to be entered into the purchase order system (POPOE). Purchases are made using established state guidelines. (See purchasing policy).

When the purchasing cycle has been completed:

1. Materials and supplies have been received
2. Approved travel request processed
3. Accounts payable check have been issued to the vendor

The grants and contract accountant will review the budget center for correct coding of transactions to the monthly general ledger. At the end of each month, appropriate journal entries are performed to record indirect cost, unemployment taxes, etc as required. When all transaction have been input and updated in the ACCESS system for the current operating period, the grants and contract accountant will prepare a reimbursement for cash from the funding agency. Total expenditures are compared to total revenues from cash draw downs to determine the reimbursable amount.

The reimbursement for cash may use any of the following:

1. Approved Invoice from Funding Agency
2. On line Web Portal
3. Funding Agency's Website
4. LSCC Invoice

The grants and contract accountant prepares a monthly approved agency invoice with supporting documentation for reimbursement. The invoice and documentation is submitted to the Vice President of Administrative & Student Services for approval and signatures. The approved

invoice is forwarded to the grants and contact accountant for mailing.

The Vice President, Director of Accounting and grants and contact accountant have log-in rights to the On-line reimbursement payment system(s).

Federal Grants and Contracts require that a 272-Federal Transaction Report be completed each quarter. A standard 272 forms may be completed and faxed to the reporting agency or it can be mailed. Also a quarterly 272 may be completed on line.

The grants and contact accountant will reconcile quarterly expenditures and revenue before preparing the 272 Federal Transaction Report . When the reconciliation has been completed the grants and contract accountant will update the current quarter 272 on line. The 272 is certified and submitted. A copy of the 272 is forwarded to the Vice President for review and approval. The reporting agency will notify the Vice President that the 272 has been completed and submitted. If there is a discrepancy the Vice President and the Budget Manger may contact the Program Director and re-submit a corrected 272.

The grants and contract accountant or the Director of Accounting is responsible for requesting reimbursements. Using an individualized log-in, the grants and contract accountant creates and submits a payment request for monthly expenditures from the funding agency. A copy of the request with receipt codes affixed is forwarded to the, Director of Accounting, General Ledger Accountant and Cashier. A copy of the request with receipt codes affixed and all supporting documentation is submitted to the Vice President of Administrative & Student Services.

The Vice President receives electronic notification of the approved on line cash requests from the funding agency. The e-mail is forwarded to the Director of Accounting and the Grants Accountant. The Director of Accounting verifies the transaction on the college's bank account and submits the verification to the Cashier to be updated to the cash receipts system.

## **INDIRECT COST RATE**

LSCC has negotiated an approved indirect cost rate. The College's indirect cost rate has been approved by the Department of Health and Human Services. The current rate is effective until September 2009, at which time it must be re-calculated. A copy of the current rate may be obtained from the Vice President of Administrative and Student Services. Grant directors must ensure that any grant budget with approved indirect cost must meet appropriate guidelines.