

University Policy 100.02
GRANTS AND CONTRACTS ADMINISTRATION

Responsible Administrator: Vice President of Fiscal Affairs

Responsible Office: Office of Fiscal Affairs

Originally Issued: May 2012

Revision Date:

Authority: Office of the President

Policy Statement

It is the policy of Claflin University to ensure appropriate accountability and handling of grants and contracts.

Statement of Purpose

The purpose of this policy is to ensure that the administration of Grants and Contracts is in compliance with all applicable federal, state or local regulations and with regulations and provisions of private sponsors.

Applicability

These procedures are applicable to all persons involved in the pre-award administration and post-award administration of Grants and Contracts (e.g. the Fiscal Affairs Office, Sponsored Program Office, and the Office of Financial Aid).

Overview of Processes

FUNDING

Grants and contracts are funded by external agencies such as the federal, state or local government, corporations, foundations, other institutions, or individuals. Grants and Contracts administration consists of two components, pre-award administration and post-award administration.

The responsibilities of pre-award administration rest with the Vice Provost for Research (VPR) and staff of the Sponsored Programs Office (SPO). These responsibilities include identifying research funding opportunities, obtaining program guidelines, developing proposals, negotiating the terms and conditions of awards, interpreting regulations of Federal agencies and private sponsors, and clarifying institutional policies and procedures.

The Fiscal Affairs Office is primarily responsible for post-award financial administration to include maintaining accounts and records; monitoring institutional compliance with sponsors, regulations provision; reporting financial information; and grant closeout.

The Sponsored Programs Office is responsible for sponsored projects including but not limited to the above mentioned pre-award activities, monitoring the expenditures after an award has been granted, resolving discrepancies with the Grants Accountant and submitting all technical and progress reports for internal and external purposes.

FEDERAL GUIDANCE

Federally funded projects are subject to general policies issued by the Office of Management and Budget (OMB). The responsible personnel in the Office of Fiscal Affairs and the Sponsored Programs Office are expected to have the New Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards - Part 200 at their disposal for reference and have a working knowledge of this Code of Federal Regulation (CFR).

Additionally, each Federal contracting agency may have its own regulatory guidelines and publications that prescribe procedures/regulations that are to be followed.

Funds obtained through private foundations and corporations are subject to the terms and conditions set forth by the grantor and tend to vary accordingly. Contact the Office of Fiscal Affairs to determine the terms and conditions associated with a particular sponsored project.

For example:

- National Institutes of Health (NIH)
- National Science Foundation (NSF)
- Environmental Protection Agency (EPA)
- Department of Education (see CFR 74)
- National Aeronautical and Space Administration (NASA)

POST AWARD PROCESS

When an award is made, the Principal Investigator/Project Director (PI/PD) of a sponsored project and the Sponsored Programs Office are notified through a Grant Award. This document may include the grant award number, name of the PI, name of sponsoring agency, total amount of award by year, cumulative total, and start and end dates of the award and budget periods. The Sponsored Programs Office will forward a copy of the notice of award, in addition to terms and conditions of the award to the Fiscal Affairs Office. At this point the Fiscal Affairs Office will:

- Attend an account create meeting initiated by the SPO
- Generate a budget code which will be activated in the General Ledger
- Generate a file which will include:
 - Compliance checklist
 - Contract/award notification
 - Financial statements/reports
 - Original proposal
 - General Ledger input sheet (internal budgets and contracts form used to set up General Ledger account)

Prior to establishing budget codes and the initial budget in the General Ledger, the Office of Fiscal Affairs will meet with the PI/PD and SPO staff to confirm the distribution of awarded monies and cost share (if applicable) among line items using the Grant Budget Request form(s) completed by the PI/PD.

Sometimes an increase or decrease in funding may warrant a revision to the proposal budget. A brief orientation meeting is held with the Office of Fiscal Affairs, the PI/PD and SPO to review pertinent financial management issues associated with the award.

When the General Ledger account is established, a budget will be forwarded to the PI through e-mail, and he/she may begin to make expenditures against the account via the e-requisition system. If the PI does not already have electronic budget management access, the PI should obtain training, a user id and password in order to log onto the system's budget module and monitor account activity.

THE COLLABORATIVE EFFORT OF GRANT MANAGEMENT

The process of financial management of the sponsored project is a collaborative effort primarily between the Principal Investigator/Project Director (PI/PD), the Fiscal Affairs Office, and the Sponsored Programs Office. Each office has a specific and separate function that allows for “checks and balances”.

In short, cooperative management happens as such: the PI and the Office of Sponsored Programs determine how the money is spent, the Fiscal Affairs Office “opens the account” and may provide approvals for expenditures and records transactions in the general ledger, collects the funds and processes payments.

The Fiscal Affairs Office at no time will input any charges into the general ledger against an account without prior approval from the PI/PD and the Sponsored Programs Office. All e-requisitions and check requests must be reviewed and approved by Grants Accounting. This review is to further ensure compliance of purchase/payment requests to grant terms and conditions. Likewise, the Fiscal Affairs Office should not create line items or make other adjustments to any sponsored project budget.

Finally, the PI should always maintain copies of supporting documents of all expenditures. This will enable the PI to reconcile his/her records with the general ledger. Discrepancies in account item expenditures should be addressed to the appropriate office.

RECEIVING PAYMENT FOR SPONSORED PROJECTS

All federal agencies making sponsored program awards are requested to transmit funds directly to the Fiscal Affairs Office. These funds are generally acquired through an automated drawdown of funds. If the award is a subcontract, usually the college must invoice the contractor in order to receive payment. These invoices are generated in the Fiscal Affairs Office.

PROCEDURES

The Fiscal Affairs Office is responsible for assuring that the financial accounting system for grants and contracts contain the following minimum attributes:

- 1) Disclose accurate, current and complete financial results of each sponsored project or program

- 2) Identify adequately the source and application of funds for federally sponsored activities. The record should consist of the Federal award, authorizations, obligations, non-obligated balances, assets, liabilities, outlays and revenue.
- 3) Effectively control and account for all funds, property and other assets. Expenditures must be recorded by cost category (salary, equipment, supplies, etc.). Cost categories applicable to each award will depend on those terms listed in the Federal award.
- 4) The Grants Accounting Departments should maintain a grants control log to assist with overall grants management. The log should include the grant title, granting agency internal and external identification numbers, the grant budget, the performance period and other data considered pertinent to the grant.
- 5) Compare actual outlays with budgeted amounts for each grant or other agreement. Financial information must be related to performance and unit cost data.
- 6) Minimize the time between transfer of funds from the Federal government and disbursement by the recipient when funds are advanced by the Federal government (no less than three days Federal cash on hand).
- 7) Account for records and maintain source documentation that can be examined by interested parties including auditors.
- 8) The fund account system which provides separate accounting for each grant or restricted fund source is required to be maintained.
- 9) The Grants Accounting and Sponsored Programs should review monthly reports to clear discrepancies.
- 10) The Grants Accounting Office must ensure that the reconciliation of all grants and contracts is completed on a monthly basis. The reconciliation should include the year-to-date receipts, expenditures by type and the amount of the remaining funds available for expenditure. The information should be forwarded to the VPR, the Associate Vice President of Fiscal Affairs, and the Vice President of Fiscal Affairs each month.

- 11) A final analysis should be conducted reconciling the general ledger, the final cash management report, the quarterly Forms SF 425, SF-269 and SF-272, if applicable, and the final award agreement for all Federal programs.
- 12) The Sponsored Programs Administrator submits time and effort reports to Principal Investigators/Project Directors each quarter as a means to certify that all persons paid on a particular project actually worked on that project for the indicated time. If there are questions or if clarification is needed, the administrator routinely communicates with the Principal Investigators/Project Directors. Additionally, this individual maintains ongoing communication with the Grants Accounting Office to ensure that Payroll Office accounting adjustments are made.
- 13) A grant closing meeting should be held when applicable. This meeting which involves the same parties should include a discussion of expenditure reconciliation, allowable costs review, reimbursements received, outstanding reimbursements and final fiscal reporting requirements.

Blank Invoice Form

**Clafin University
ACCOUNTING
OFFICE**



INVOICE No.

02/01/10

BILLED TO:

REMIT TO:

Clafin University
Office of Fiscal Affairs
400 Magnolia Street
Orangeburg, SC 29115

Attn: Grants Accounting Office

EXPENDITURE PERIOD:

GRANT PERIOD:

DESCRIPTION	BUDGET	PRIOR REIMBURSEMENT REQUEST	THIS PERIOD REQUEST	CUMMULATIVE REQUEST	BUDGET REMAINDER
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
					0.00
TOTAL	0.00	0.00	0.00	0.00	0.00

PLEASE PAY THIS AMOUNT \$0.00

TO INSURE PROPER CREDIT, PLEASE RETURN A COPY OF THIS INVOICE WITH PAYMENT.

For QUESTIONS CONCERNING THIS INVOICE
CALL: (803) 535-373 or 535-5411

