



## **GRANTS HANDBOOK**

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## INTRODUCTION

The purpose of the Northwest State Community College (NSCC) Grants Handbook is to provide guidance for the development and management of externally funded projects at NSCC, including relevant policies and procedures. This handbook is not intended as a substitute for the policies and procedures required by funding agencies. The procedures in this handbook primarily address the roles of key employees or offices responsible for pre-award, post-award, and grants accounting activities. This handbook will be re-evaluated and updated biennially and/or as the institution's needs change.

A grant is a monetary award given by a government agency, foundation, corporation, or trust to a recipient that may be an educational institution, non-profit entity, business, or individual. The grants to higher education institutions are most commonly those from the federal government, state government, or a foundation. Federal grants tend to have strict guidelines and clear cut eligibility requirements. Foundation grants are sometimes more lenient in guidelines for proposal submission, but may have unique reporting requirements specific to the funding agency. One of the requirements for foundation grants is generally that the applicant organization has to be tax-exempt or a 501(c)3 organization. In such instances, the Grants Office may coordinate with Northwest State Community College Foundation to submit a proposal.

The Grants Office at Northwest State Community College leads grant development activities that support NSCC's mission, vision, and values, in alignment with the college's strategic plan.

### **NSCC Mission Statement**

To serve by providing access to excellent and affordable education, training, and services that will improve the lives of individuals and strengthen communities.

The NSCC Grants Office is committed to assisting faculty, staff, and strategic partners with:

- Identifying potential grant opportunities to pursue institutional goals
- Determining the feasibility of grant projects
- Preparing and submitting competitive proposals
- Supporting the implementation and management of successfully funded projects
- Networking with community partners to ensure stakeholder engagement in grant efforts

## ROLES AND RESPONSIBILITIES

The following individuals lead and oversee all grant-related activities at the College:

- Todd Hernandez – President
- Jennifer Thome – Chief Fiscal and Administrative Officer
- Albert Lewis Jr. – Executive Vice President
- Ashley Pere – Director of Grants Development
- Audrey Lehman – Project Manager
- Susan Cheeseman - Grants Officer
- Jennifer Morris – Grants Accountant

NSCC Grants Office responsibilities:

- Assist with grant proposal development, writing, and submittal
- Maintain accurate financial records and track budgetary changes
- Review and submit official requests for project changes as needed (e.g. budget modifications, change of PI or co-PI, changes to the scope of work, etc.).
- Submit quarterly and annual financial reports, per the granting agency requirements
- Submit quarterly and annual performance reports, per the granting agency requirements
- Request drawdown of funds from the granting agency
- Monitor contracts
- Conduct on-site monitoring visits to review reimbursement documentation, competitive bid materials, participant files, and other documents identified on monitoring checklists
- Provide technical assistance
- Submit deliverables upon conclusion of the grant
- Ensure proper grant closeout procedures are followed

	<b>Grants Office</b>	<b>Business Office</b>
<b>Pre-award</b>	Researches grant opportunities, determines feasibility, assist with proposal writing, reviews proposals for compliance before submission, assists with proposal submittal	Reviews proposal budgets for compliance before submission
<b>Post-award</b>	Reviews budget revision requests, cost transfer requests, and purchase requisitions; trains new staff on the federal cost principles; and submits reports to the sponsor agency	Sets up project budgets in the accounting system; processes budget revisions and cost transfers; collects and processes time & effort reports; submits drawdown of funds from funding agency, and assists with financial reporting to the sponsor agency

What the NSCC Grants Office **CANNOT** do for you:

- Compose a proposal narrative without input from subject matter expert(s)
- Determine a grant project’s specific budgetary needs, negotiate wages or hourly rates
- Prepare and submit time and effort reports
- Complete reporting requirements (we can assist with these, but will need input)

## GETTING STARTED

- I. All programs begin with an idea: as soon as you have an idea, contact the Grants Office to request a grant concept pre-approval form. After you've submitted your concept form, the Grants Office team will review the proposed project for feasibility and alignment with institutional goals. The Grants Office can support you as you develop an idea for a project, or build on an idea already in place. If you see a grant opportunity that you might be able to develop a program around, share it with us. It is also important to discuss your idea with your colleagues and your dean or supervisor during the development phase for feedback. You can also stop by the Grants Office for assistance with first steps.
  
- II. Develop a Plan: As you are preparing the concept form, it is helpful to develop an outline to organize your idea. Consider your idea in terms of *who, what, where, when, why, how?*
  - Who? Define who is involved:**
    - What do you (individually or as an organization) have to offer?
    - Who else should you be involved with the project? Partners? Collaborations in and outside the College? Industry? Community?
    - Who benefits? Who are the stakeholders?
  - What? Define your idea:**
    - Is your idea a new program? Project? Performance? Research proposal? Exhibition? What are the components of the idea? What are your goals and objectives?
  - When? Develop a timeline or lifespan for the project:**
    - Are there time limits or specific project dates? How long will the project last?
  - Where? Give your idea some geographic parameters:**
    - Will the bulk of your project take place on campus or off campus?
    - Will it take place in specific communities or venues?
  - Why? Identify the need for your idea:**
    - Why here? Why now? How does the need relate to NSCC's mission, values, and strategic plan? Why this community/target group? Is there a special need? What data is there to support the need? (e.g. demographics, statistics, and research)
  - How? Give your idea some strategic thought:**
    - What resources will it take? Preliminary budget – how much will it cost?
    - Will you need to sustain your idea for the long term? How will you do it?
    - What In-kind/leveraged support is available? Are matching funds needed?
    - How will you evaluate your results to know if your project has been successful?
    - How will you disseminate your results?
  
- III. Find Resources: Determine possible sources of funding for your project through prospect research. Sources can include government grants (federal, state, local), public and private foundations, corporate sponsorships, individual gifts, and fundraising events. Work with the Grants Office to identify funding opportunities through other available resources.
  
- IV. Apply for Funding: Once the concept is approved at the cabinet level, it can move forward to the application phase. The next section provides tips for identifying the funding sources that fit your project's goals and objectives.

## RESEARCHING PROSPECTIVE FUNDERS

Finding a good match between your project's goals and a funder's giving priorities is critical. Your fund-seeking efforts will be much more successful if you apply for a well-suited grant rather than trying to twist your project to fit the funder's expectations.

### ELIGIBILITY: WHO CAN APPLY FOR GRANTS?

As a general rule, grant funding can only be awarded to not-for-profit entities. These can be non-profit organizations designated as 501(c)(3) tax-exempt organizations by the IRS, or other not-for-profit entities. NSCC, as a public community college, is legally designated a "Non-profit State Educational Institution - Tax Exempt under Section 170 as a political subdivision." per 26 CFR § 1.170A-9. If a funder will ONLY accept applications from a 501(c)(3), you should discuss the opportunity with the Grants Office and the NSCC Foundation to determine whether it may be reasonable to apply through the Foundation. With very few exceptions, individuals CANNOT apply for grants.

### STEPS TO DEVELOPING A SUCCESSFUL GRANT APPLICATION

The single most important step in grant writing is this:

#### **! READ THE GUIDELINES !**

- Read ALL the guidelines carefully and note such elements as:
- What is the Deadline? (Date and Time and Time Zone)
- Does NSCC, as an institution, meet the Eligibility requirements?
- Are you eligible and qualified to be the Principal Investigator/Project Director?
- Is a Letter of Inquiry or a Letter of Intent required before a full application can be sent?
- How long is the Project Period? What is the Start Date?
- Does your idea match the Grantor's priorities?
- How many pages are allowed for the Narrative? (Note line spacing, specific fonts & type sizes)
- What specific forms are required?
- What other supporting documents are required (e.g. partner letters, resumes, NICRA, etc.)?
- Is Cost Share or Match required? What percentage?
- Is F&A/Indirect Costs allowed? Is it limited? Is it specifically excluded?
- How is the application submitted? Electronically? Hard copy to be mailed?

The second most important step in grant writing is this:

#### **! FOLLOW THE GUIDELINES !**

### **POST AWARD PROCEDURES**

If your grant is awarded, the Grants Office and/or the President’s Office will generally receive the first notice of the award and will notify you with the good news. If you receive an award notification directly from the funding agency, please let the Grants Office staff know about it! When you receive a grant, carefully read the grant award agreement and make note of:

- Reporting requirements
- Reporting dates
- Allowable/unallowable expenses
- Reimbursement or drawdown process and schedule
- Program Officer or funding agency representative, who is your first point of contact?

The Business Office will establish a budget account for the grant award in the Banner system. Do not begin spending grant funds before coordinating with Grants Office and Business Office staff. They will then set up the approval chain for the budget manager who will oversee the grant budget and the next-level approver, typically the Project Director’s supervisor or Grants Office staff. The grants accountant performs oversight on the expenditures, prepares financial reports, and monitors the requirements of the award. The Project Director or Principal Investigator is responsible for all aspects of their awarded grants, particularly for meeting all required reporting deadlines. It is important to read your award documents carefully and be sure to comply with all requirements.

The first section of this handbook has provided guidance focusing mainly on the pre-award phase of grants activity. It can be helpful to think of the different phases in the development and implementation of a grant project as the *grants life cycle*. The image below summarizes the major tasks and activities that take place during the subsequent phases of the grants life cycle. At each phase, strong collaboration between all involved parties helps to ensure a successful project.

## The Grants Life Cycle



## FISCAL MANAGEMENT OF GRANTS

This section of the handbook contains NSCC's policies and procedures that directly impact grants and grants managements. Employees that are involved with funded grant projects should review this information and use it as a reference during the grant period.

### OPERATIONAL BUDGET

The process for establishing the budget will include input from all departmental budget managers and will focus on the strategic goals of the college. A budget committee which includes, at minimum, one member representation from each of the governance councils, the Director of Finance and Business Services, and the Chief Fiscal and Administrative Officer will review and make recommendations for funding of departments through the budget process.

### CAPITAL PROPERTY AND EQUIPMENT

**Capitalization Policy:** Physical assets acquired with unit costs in excess of \$5,000 (per unit) are capitalized as property and equipment on the College's financial statements. Items with unit costs below this threshold shall be expensed in the year purchased.

- (a) Capitalized property and equipment additions are accounted for at their historical cost and all such assets, except land, are subject to depreciation over their estimated useful lives, as described later.
- (b) Capitalized assets will be reported as expensed for grants if they were so budgeted in the grant application. However, for the College's financial statements, these assets will be capitalized and depreciated.

**Equipment and Furniture Purchased with Federal Funds:** Northwest State Community College may occasionally purchase equipment and furniture that will be used exclusively on a program funded by a federal grant. Equipment and furniture charged to federal awards will be subject as described below.

- (1) For purposes of federal award accounting and administration, equipment shall include all assets with a unit cost greater than \$5,000.
- (2) All purchases of equipment with federal funds shall be approved, in advance and in writing, by the federal awarding agency.
- (3) Adequate insurance coverage will be maintained with respect to equipment and furniture charged to federal awards.
- (4) For equipment (or residual inventories of supplies) with a remaining per unit fair market value of \$5,000 or less at the conclusion of the award, Northwest State Community College shall retain the equipment without any requirement for notifying the federal agency.
- (5) If the remaining per unit fair market value is \$5,000 or more, Northwest State Community College shall gain a written understanding with the federal agency regarding disposition of the equipment. This understanding may involve returning the equipment to the federal agency, keeping the equipment and compensating the federal agency, or selling the equipment and remitting the proceeds, less allowable selling costs, to the federal agency.



**Establishment and Maintenance of a Fixed Asset Listing:** All capitalized property and equipment shall be recorded in a property log. This log shall include the following information with respect to each asset

1. Date of acquisition
2. Cost
3. Description (including color, model, and serial number or other identification number)
4. Source of the equipment, including the federal award number, if applicable
5. Whether the title vests in the College or the federal government
6. Information to calculate the federal share of the cost of the equipment, if applicable
7. Location of asset
8. Depreciation method
9. Estimated useful life

A physical inventory of all assets capitalized under the preceding will be taken on an annual basis by Northwest State Community College. This physical inventory shall be reconciled to the property log and adjustments made as necessary. All adjustments resulting from this reconciliation will be approved by the Chief Fiscal and Administrative Officer.

**Receipt of Newly Purchased Equipment and Furniture:** At the time of arrival, all newly purchased equipment and furniture shall be examined for obvious physical damage. If an asset appears damaged or is not in working order, it shall be returned to the vendor immediately.

In addition, descriptions and quantities of assets per the packing slip or bill of lading shall be compared to the assets delivered. Discrepancies should be resolved with the vendor immediately.

**Depreciation and Useful Lives:** All capitalized assets are maintained in the special property and equipment account group and are not included as an operating expense. Property and equipment are depreciated over their estimated useful lives using the straight-line method.

In the year of acquisition, depreciation is recorded based on the number of months the asset is in service, counting the month of acquisition as a full month (Example: an asset purchased on the fifteenth day of the fifth month shall have eight full months of depreciation (eight-twelfths of one year) recorded for that year.)

Estimated useful lives of capitalized assets shall be determined by the Business Office in conjunction with the department or employee that shall utilize the asset.

For accounting and interim financial reporting purposes, depreciation expense will be recorded on an annual basis.

**Changes in Estimated Useful Lives:** If it becomes apparent that the useful life of a particular capitalized asset will be less than the life originally established, an adjustment to the estimated useful life shall be made. All such changes in estimated useful lives of capitalized assets must be approved by the Chief Fiscal and Administrative Officer.

When a change in estimated useful life is made, the new life is used for purposes of calculating annual depreciation expense. In the year in which the change in estimate is made, the cumulative effect of the change shall be reflected as depreciation expense in the College's Statement of Revenue, Expenses and Changes in Net Assets.

**Repairs of Property and Equipment:** Expenditures to repair capitalized assets shall be expensed as incurred if the repairs do not materially add to the value of the property or materially prolong the estimated useful life of the property.

Expenditures to repair capitalized assets shall be capitalized if the repairs increase the value of property, prolong its estimated useful life, or adapt it to a new or different use. Such capitalized repair costs shall be depreciated over the remaining estimated useful life of the property. If the repairs significantly extend the estimated useful life of the property, the original cost of the property shall also be depreciated over its new, extended useful life.

**Dispositions of Property and Equipment:** If equipment is sold, scrapped, donated, or stolen, adjustments must be made to the fixed asset listing and property log. If money is received for the asset, then the difference between the money received and the "book value" (purchase price less depreciation) of the asset will be recorded as a loss (if the money received is less than the book value) or a gain (if the money received is more than the book value).

**Write-Offs of Property and Equipment:** The Chief Fiscal and Administrative Officer approves the disposal of all capitalized fixed assets that may be worn-out or obsolete. Property that is discovered to be missing or stolen will be reported immediately to the Chief Fiscal and Administrative Officer. If not located, this property will be written off the books with the proper notation specifying the reason.

## CASH MANAGEMENT

### **Federal Funds Account**

The primary account used for electronic receipt of state, federal, company, grant or other funds. These funds are transferred by the Director of Finance and Business Services to the general checking account. Interest earned on restricted endowed funds shall be allocated based upon the source of funds invested as defined by the Chief Fiscal and Administrative Officer.

### **Authorized Signers**

The following Northwest State Community College personnel are authorized to sign checks drawn on the general operating and payroll accounts:

- President
- Chief Fiscal and Administrative Officer
- Director of Finance and Business Services

Chief Fiscal and Administrative Officer will promptly notify the College's financial institutions of changes in authorized signatures upon the departure of any authorized signer.

### **Bank Reconciliations**

Bank account statements are received each month by the Business Office where a reconciliation between the bank balance and general ledger balance is prepared by someone who is not an authorized check signer. The bank reconciliation process will be completed each month.

All bank reconciliations, including any adjusting journal entries resulting from preparing bank reconciliations, are reviewed by the Chief Fiscal and Administrative Officer or Director of Finance and Business Services on a monthly basis.

Bank reconciliations are filed in the current year's accounting files.

## **PURCHASING**

### **Responsibility for Purchasing**

All department heads or their designees shall have the authority to initiate purchases on behalf of their department, within the guidelines described here. Department directors shall inform the Business Office of all individuals that may initiate purchases or prepare purchase orders. The Accounting Department shall maintain a current list of all authorized purchasers (FOMPROF). The Business Office shall be responsible for processing purchase orders. The Chief Fiscal and Administrative Officer has approval authority over all purchases and contractual commitments, and shall make the final determination on any proposed purchases where budgetary or other conditions may result in denial.

### **Code of Conduct in Purchasing**

Ethical conduct in managing the College's purchasing activities is absolutely essential.

- Staff shall discourage the offer of, and decline of, individual gifts or gratuities of value in any way that might influence the purchase of supplies, equipment, and/or services.
- Staff shall notify their immediate supervisor if they are offered such gifts.
- No Board of Trustee member, employee, or agent shall participate in the selection or administration of a vendor if a real or apparent conflict of interest would be involved. Such a conflict would arise if an officer, board member, employee or agent, or any member of his or her immediate family, his or her spouse or partner, or a college partner employs or is about to employ any of the parties indicated herein, has a financial or other interest in the vendor selected.
- Board of Trustee members, employees, and agents shall neither solicit nor accept gratuities, favors, or anything of monetary value from vendors or parties to sub-agreements.
- Unsolicited gifts of a nominal value up to \$25.00 may be accepted.

## **TRAVEL**

### **Employee Expense Reports**

Reimbursements for travel expenses, business meals, or other approved costs will be made only upon the receipt of a properly approved and completed expense reimbursement form. All required receipts must be attached, and a brief description of the business purpose of the trip or meeting must be noted on the form. Expense reports will be processed for payment in the week

in which they are received or the next payment cycle. Expenses are to be submitted within sixty days of the month in which they occurred, or they will not be reimbursed.

## **FUNDING RESTRICTIONS**

All proposed project costs must be necessary and reasonable and in accordance with Federal guidelines. **Determinations of allowable costs** will be made in accordance with the Cost Principles, now found in the Office of Management and Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), codified at 2 CFR Part 200 and at 2 CFR Part 2900 (Uniform Guidance-DOL specific). Compensation, including salaries, must be handled consistent with the Uniform Guidance, including 2 CFR 200.430.

**Disallowed costs** are those charges to a grant that the grantor agency or its representative determines not to be allowed in accordance with the Cost Principles or other conditions contained in the grant. Pre-award costs will not be reimbursed.

**Unallowable costs**, mistakenly charged to an award, must be promptly transferred to the purchasing department's operational ORG and account code. If you have questions, please contact the Chief Fiscal and Administrative Officer.

Under the OMB cost principles (2 CFR 220, 225, 230), direct costs are those that can be identified specifically with a particular final cost objective, i.e., a particular award, project, service, or other direct activity of an organization. Indirect costs are those that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective. After direct costs have been determined and assigned directly to awards or other work as appropriate, indirect costs are those remaining to be allocated to benefiting cost objectives. A cost may not be allocated to an award as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been assigned to an award as a direct cost. Examples of indirect costs may include depreciation or use allowances on buildings and equipment, the costs of operating and maintaining facilities (overhead), top management personnel, fiscal operations, HR, payroll, and general administration and general expenses. Ordinarily, allowance for these types of costs will have been included in the organization's indirect cost pool and funded through the application of the approved indirect cost rate across all federal grants.

## **PROCUREMENT**

The following are Northwest State Community College's procurement procedures:

1. Northwest State Community College shall purchase only items that are necessary for the performance of the activities required by a federal award.

2. Where appropriate, an analysis shall be made of lease and purchase alternatives to determine which would be the most economical and practical procurement for the federal government. This analysis should only be made when both lease and purchase alternatives are available to the program.

3. Price analysis may be made in various ways, including comparison of price quotations submitted or market prices. Cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability, and allowability.

4. Documentation of the cost and price analysis associated with each procurement decision shall be retained in the procurement files pertaining to each federal award.

5. For all procurements in excess of the federally-defined simplified purchase acquisition threshold (\$150,000), procurement records and files shall be maintained that include all of the following:

- a. The basis for contractor selection.
- b. Justification for lack of competition when competitive bids or offers are not obtained.
- c. The basis for award cost or price.

6. All contracts with vendors shall require the vendor to certify in writing that it has not been suspended or debarred from doing business with any federal agency or be confirmed by researching potential vendors on the Excluded Parties List at the GSA website [[www.epls.gov](http://www.epls.gov)].)

7. Northwest State Community College shall not utilize the cost-plus-a-percentage-of-costs method of contracting.

8. NSCC's President may amend or exempt the procurement process. In such cases, these decisions shall be documented.

## **TIME AND EFFORT REPORTING**

Faculty and staff working on grants must complete a Time and Effort Report when the grant is federally funded or indicated by the awarding institution to verify actual time devoted to a project. The supervisor or the project director of the grant approves the report. In the circumstance that the Time and Effort is completed by the project director, their immediate supervisor must sign to verify their efforts. According to federal regulations, the Time and Effort Report must include the following items:

- Percentage of time devoted to a sponsored program (both project administration and project delivery).
- Percentage of time devoted to NSCC departmental activities (instruction, mission and learning support, administration, and special projects).

The report must additionally provide a snapshot of actual activities and must total 100% of effort. Contact the Grants Office and/or Grants Accountant for assistance with completing the forms. Completed Time & Effort Reports should be submitted to the Grants Accountant by the 10th day of the month for the previous month's reporting.

The Grants Accountant will adjust the actual amount charged to the project budget along with the appropriate fringe benefits and indirect costs. Wage allocations to grant awards will be the certified time as supported by the Time and Effort Reports and amount paid at the correct rate for the corresponding payroll period(s). The Time and Effort Report forms can be found in the shared drive (U:\Forms\Grants Time & Effort Forms). An image of the form can be found below.

Time and Effort forms are also required for employees whose participation in the grant activities are being used to fulfill a cost-sharing requirement (match or leveraged resources).

NAME: Employee Name		Employee ID: N00123456	CERTIFICATION		From 11/1/20	To 3/31/21
POSITION TITLE:		DIRECTOR/COORDINATOR:				
HOME DEPARTMENT:				Pay Period Number:		
GRANT ACCOUNTANT:				(Initial and Date)		

Sponsoring Agency	Agency Grant #	NSCC Project ID	Activity	Total Hours for Reporting Period	%	Salary Charges (To be completed by Grant Accountant)	
1. National Science Foundation (NSF)	1800929	254107	Project Administration	76	100%	-	
			Program Delivery	0	0%	-	
			<b>Total</b>	<b>76</b>	<b>100%</b>	<b>\$ -</b>	
2.			Project Administration	0	0%	-	
			Program Delivery	0	0%	-	
			<b>Total</b>	<b>0</b>	<b>0%</b>	<b>\$ -</b>	
3			Project Administration	0	0%	-	
			Program Delivery	0	0%	-	
			<b>Total</b>	<b>0</b>	<b>0%</b>	<b>\$ -</b>	
4			Project Administration	0	0%	-	
			Program Delivery	0	0%	-	
			<b>Total</b>	<b>0</b>	<b>0%</b>	<b>\$ -</b>	
---- Effort Summary Section ----				<b>TOTAL</b>	<b>76</b>	<b>100%</b>	<b>\$ -</b>

Summary of grant-related activity this period: Attended "Scaling Elements of a Competency-based Hybrid Instructional Model" Faculty Workshop. worked on scenarios for grant,

In signing this form, I certify that I have first hand knowledge of the actual effort expended during the period shown above and this represents a reasonable estimate of that effort.

Faculty/Staff Member Signature \_\_\_\_\_ Date \_\_\_\_\_

Supervisor Signature \_\_\_\_\_ Date 5/13/2021

Director Signature \_\_\_\_\_ Date \_\_\_\_\_

## PARTICIPANT SUPPORT COSTS

Northwest State Community College's Participant Support Costs procedure is documented in the POLICY AND PROCEDURES MANUAL as follows:

Procedure No. 9-14 (A) Participant Support Costs  
Effective Date: 2/27/19

(A) The purpose of this procedure is to establish the requirements that apply to participant support costs for grants/awards received by Northwest State Community College from a federal government agency.

(B) Participant support costs (as defined in 2 CFR 200.75) are direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences, symposia, seminars, workshops, or training projects.

(C) Participant support costs may not be paid to individuals providing administrative or logistical support, individuals attending the conference as invited speakers or research subjects participating in a study.

(D) The Uniform Guidance (2 CFR 200) requires prior approval of the Federal Agency in order to incur Participant Support Costs under federally sponsored awards. The Participant Support Costs must be incurred within the period of performance of the project and be specifically allowed by the sponsoring agency.

(E) The federal government also expects participant support costs to be accounted for separately. According to the Uniform Guidance, grantees must request the Federal awarding agency's prior approval before transferring funds budgeted for participant support costs to other categories of expense. As a result, unused participant support costs are generally returned to the sponsor rather than spent on other categories of cost.

(F) The Modified Total Direct Cost (MTDC) base is used to calculate the indirect (F&A) costs on all sponsored awards. The Uniform Guidance (2 CFR 200.68) states that Participant Support Costs are exempt from indirect costs in federally sponsored projects. Using the MTDC calculation, Participant Support Costs must be excluded when calculating the indirect cost allocation on federal and federal flow-through awards.

## **MATCHING FUNDS**

If required by the grant, matching or cost sharing funding discussions should happen during the development and strategy meetings. Input from the respective College Vice President, and the CFAO should be sought throughout this process. When identifying cost sharing/matching opportunities, consider:

- The time of NSCC employees assigned to work on the project for which no grant resources are derived.
- NSCC costs for equipment, supplies, or facilities used from allowable sources that directly impact the project's activities.
- The value of equipment donated to NSCC, when received during the allowable period for the grant and that is used for grant-specific activities.
- Resources provided through other grants or partnerships - always consider any grant restrictions that may prevent supplementing or supplanting existing grant projects. Many federal agencies prohibit using other federal monies to meet match requirements.

- NSCC costs for research or educational materials acquired by the College during the grant period which specifically further the objectives of the grant project.
- The travel of project staff – and NSCC associate staff both nationally and locally – to further grant-related objectives when such costs are not borne from grant funds.

All matching funds will be documented per the granting agency requirements. Time and Effort Forms will be used to document all personnel time counted as a match, in-kind, or cost sharing.

## INDIRECT COSTS

Indirect costs (also known as Facilities and Administrative [F&A] Costs or overhead costs) are those incurred for common or joint objectives and therefore cannot be identified readily and specifically with a particular grant-funded project, an instructional activity or any other college activity. Indirect costs include two broad categories of expenses:

- **Facilities** are defined as depreciation and use allowances, interest on debt associated with certain buildings, equipment and capital improvements, operation and maintenance expenses and library expenses.

- **Administration** is defined as general administration and general expenses, departmental administration, grants administration, student administration and services, and all other types of expenditures not listed specifically under one of the subcategories of Facilities.

Northwest State Community College has a Negotiated Indirect Cost Rate Agreement (NICRA) from the U.S. Department of Health and Human Services; Division of Cost Allocation for a provisional rate that is calculated at 29% of salaries and wages including all fringe benefits

A copy of the College's NICRA is available upon request.

## MONITORING CONTRACTS

NSCC must monitor sub-awards and outside services to evaluate the effectiveness, reliability, and quality of delivered outputs. Ongoing monitoring will assess the sub-award or vendor's success in producing programmed outputs, both in quantity and quality.

Internal assessment will be continuously occurring as NSCC collects, reviews, and approves regular financial and progress reports as specified in the contract between NSCC and the sub-award or vendor. NSCC will have documented periodic contact with the sub-award or vendor as well over the course of the contract period. NSCC will conduct periodic desk reviews or file reviews either in person or via conferencing technology to assess the status of deliverables or resolve barriers in meeting programmatic goals. An annual progress review will be conducted to assess the sub-award or vendors compliance with state and federal regulations and assess the progress of deliverables using the NSCC Monitoring Tool. Reviews will be conducted both on site as well as at NSCC. If there is a finding during a progress review, technical assistance will be provided to the subrecipient or vendor. Corrective action plans will be developed and kept on file



for further monitoring. Records of monitoring reviews will be kept in accordance with the NSCC records retention policy.

## **INCIDENT REPORTS**

The Uniform Guidance establishes a mandatory disclosure requirement for grant recipients and subrecipients to disclose in writing to the Federal awarding agency or pass-through entity violations of Federal criminal law involving fraud, bribery or gratuity violations that potentially affect the Federal award.

Incidents, on the other hand, involve actions that may be criminal in nature, or at least there are suspicions that criminal activity is occurring. Incidents are events involving:

§ Fraud, misfeasance, nonfeasance, or malfeasance § Misapplication of funds § Gross mismanagement § Employee or participant misconduct § Waste and program abuse § Other criminal activities

TEGL 2-12 describes fraud and the various "feasances" (misfeasance, nonfeasance, and malfeasance) as follows: Any alleged deliberate act which may violate federal statutes or regulations.

It includes but is not limited to bribery, forgery, extortion, embezzlement, theft of participant checks, kickbacks from participants or contractors, intentional payments to a contractor without the expectation of receiving services, payments to ghost enrollees, misuse of appropriated funds, and misrepresenting information in official reports.

## **RECORD RETENTION**

Grantees and co-awardees must follow Federal guidelines on record retention, which require grantees to maintain all records pertaining to grant activities for a period of **not less than three years** from the time of ***final grant close-out***. These records include:

1. Participant files
2. Financial Documentation, including all supporting and related documentation
3. Quarterly Narrative Progress Reports
4. Quarterly Financial Reports
5. Annual Performance Reports
6. Evaluation Reports
7. Procurement documentation
8. Original contract and award information
9. Modified Budgets and/or Statement of Work

10. Copies of education/outreach materials appropriately labeled with the DOL Disclaimer.
11. Monitoring Reports
12. Cohort and Comparison Cohort Analysis
13. All curriculums uploaded using Creative Commons Licensing (Open Educational Resources)

Records from outside services will be stored at NSCC.

Upon official close-out, NSCC should place all files and records into boxes clearly labeled with the date upon which those files can be purged. The boxes should then be stored in an accessible place until that date.

## **SUSTAINABILITY REPORTS**

At close out, grant staff should provide the NSCC President and Cabinet with a summary of project deliverables, outcomes, financial statements, and plans for personnel. Third party evaluations should be provided if applicable.

## **GRANT CLOSEOUT**

Grant closeout is the completion of the grant life cycle and the official end of the funders relationship with NSCC. Grant closeout refers to the period 90 days following the expiration of the grant period of performance. Subawards must be closed out at this time as well. Subawards must follow all federal and state regulations such as the ones listed below.

No additional costs may be incurred after the expiration of the grant. Any unexpended funds will be de-obligated and returned to the funder during the closeout process unless the funder specifically states otherwise.

NSCC will comply with all funder requirements as well as federal regulations governing the closeout process found under the Uniform Guidance:

2 CFR 200.343: Closeout - describes the actions that the non-Federal entity and the Federal awarding agency or pass-through entity must take in order to complete the closeout process at the end of the period of performance (codified 29 CFR Part 95.71 and 97).

2 CFR 200.344: Post Closeout Adjustments and Continuing Responsibilities – details of what may be necessary as a result of an audit or a monitoring review (codified 29 CFR 95 and 97)

2 CFR 200.345: Collection of Amount Dues - defines monies due to the Federal awarding agency, and the steps that may be taken to assure any amounts due are repaid to the Federal government.

2 CFR 2900 - Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards

For Department of Labor Grants within 45 days after the period of performance end date, grantees must submit: FINAL ETA 9130 – submitted via the Grantee Reporting System [https://www.etareports.doleta.gov/CFDOCS/grantee\\_prod/reporting/index.cfm](https://www.etareports.doleta.gov/CFDOCS/grantee_prod/reporting/index.cfm)

NSCC will be required to provide a Detailed Statement of Costs that will be consistent with the cost categories contained in the SF-424A budget.

NSCC administrative costs are to be reported on the ETA-9130 as well as the final and closeout ETA-9130 reports. Leveraged resources will be reported in the recipient's share section of the final and closeout ETA-9130.

NSCC may retain the equipment to be used for the purpose under which it was acquired under the grant as described in 2 CFR 200.313, whether or not the project or program continues to be supported by federal funds. If NSCC determines that there is no further use for equipment purchased with DOL grant funds, the grantee is responsible for disposition of said equipment in accordance with 2 CFR 200.313(e) utilizing several methods (transfer, sale, scrap or other means). Items sold should be reported to DOL as recipients are required to reimburse the DOL agency an amount computed by applying to the sales proceeds the percentage of Federal participation in the cost of the original project or program minus \$500 or ten percent of the proceeds, whichever is less, for the recipients selling and handling expenses. Please remit payment, along with a brief statement explaining the nature of the return to:

U.S. Department of Labor  
Employment and Training Administration  
Office of Grants Management  
200 Constitution Avenue, N.W. Rm. N-4716  
Washington, D.C. 20210  
Attn: Closeout Grant Officer

## **COMMON TERMS**

**Administrative Costs** – costs associated with performing overall general administrative functions, i.e., accounting, financial and cash management, property management, payroll, records management etc. (i.e. Indirect Costs).

**Audit** – the examination of records, documents and other evidence for the purpose of determining the propriety of transactions and assessing the compliance with relevant cost and accounting requirements.

**Budget Realignment** – a bi-lateral modification action, which is agreed upon and signed by both the Grant Officer and the grant recipient, and adjusts amounts among the line items of the SF- 424a budget document in accordance with actual expenditures. The total amount of the grant budget remains the same.

**Closeout Financial Report** – an ETA-9130 financial report, executed by the recipient after the grant expiration date, to reflect actual and final payments and costs.

**Closeout Phase/Closeout Period** – the period of time after the grant end date that DOL - ETA determines that all applicable administrative actions and required work of the grant have been completed by the recipient and DOL - ETA. This period is used by the recipient to liquidate remaining obligations under the grant and to prepare and transmit final fiscal and program documents. It marks the end of the grant agreement between DOL - ETA and the recipient.

**Closeout Resolution Specialist (CRS)** – DOL - ETA staff assigned to receive and review grant closeout documents, perform a financial reconciliation and assist the recipient in fulfilling its closeout obligations.

**Cognizant Agency** – the Federal agency that is responsible for approving indirect cost rate agreements/cost allocation plans for a recipient organization.

**Cost Allocation Plan (CAP)** – a method of attributing costs arising from the same activity proportionally to different revenue streams based on benefit received. The written document (cost allocation plan) is prepared by the grantee and the cognizant agency to support the costs that have been incurred.

**DOL - ETA** – Department of Labor, Employment and Training Administration

End User Manual – an electronically transmitted package that is made available to the recipient to initiate the closeout process. It contains instructions and required documents for closeout.

Equipment – tangible, nonexpendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. Acquisition of equipment requires prior approval from an DOL - ETA Grant Officer as a condition of the grant agreement. Equipment is also known as property.

Federal Project Officer (FPO) – DOL - ETA staff assigned to carry out oversight and grants management activities to assist the recipient during the grant period of performance and closeout.

Grant Closeout System (GCS) – DOL - ETA's electronic closeout system used for the submission of the grantee's closeout package.

Grant Officer for Closeout – The Grant Officer specifically charged with timely execution of all activities during the closeout phase.

Indirect Cost Rate Agreement – an agreement between a recipient and its Federal cognizant agency which establishes the proportion of operating costs, such as electricity, insurance or compensation for an Executive Director, which cannot be directly and uniquely attributed to a single funding source. The indirect cost rate agreement establishes provisional and final rates at which the recipient can be reimbursed by the grant for such activities.

Intellectual Property – an intangible product which has value as a commodity, including but not limited to trademarks, copyrights, patents and patent applications.

Liquidate – to satisfy financial obligations by paying owed amounts.

Match – additional non-Federal resources expended to further the grant objectives, if required either by statute or within the grant agreement as a condition of funding. Failure to provide the match amount by the grant expiration date results in a potential disallowance and debt established by the government.

NSF – Insufficient Funds OR National Science Foundation.

Obligation – creation of a legally-binding agreement, for example payment by a recipient to a third party for goods or services.

Payment Management System (PMS) – an electronic fund transfer system operated by the U.S. Department of Health and Human Services. DOL - ETA is a customer. Recipients use PMS to drawdown grant finds.

Performance Certification – a document executed by the Federal Project Officer which evaluates the sufficiency of the recipient activities under the grant. Program income – gross

income earned by the recipient that is directly generated by a grant supported activity or earned as a result of the award.

Procurement – All stages of the process of acquiring property or services, beginning with the process for determining a need for property or services and ending with contract completion and closeout.

Program Income – includes but is not limited to income from fees for services performed, the use or rental of real or personal property acquired under Federally-funded projects, the sale of commodities or items fabricated under an award, license fees and royalties on patents and copyrights and interest on loans made with award funds. However, interest earned on advances of Federal funds and tuition costs are not considered program income. Such income is added to the award and expended for the same purposes. Unspent program income is subject to a request for refund during the closeout phase.

Property – equipment acquired under the grant to support grant activities. Title rests with the recipient; however, the Federal government retains an equity interest in all such property and issues disposition instructions during the closeout period.

Recipient – an organization receiving financial assistance directly from DOL - ETA to carry out a project or program, also known as the grantee.

Refund – the Grant Officer for Closeout may determine that certain uses of grant funds are not allowable, or are in excess of established limits. Other revenue streams which support the grant may not reach agreed upon thresholds. These amounts are recovered from the recipient through a refund.

Sole Source -- Procurement by noncompetitive proposals, referred to as sole source procurement, is procurement through solicitation of a proposal from only one source. Sole source procurements must adhere to the standards set forth in 2 C.F.R. § 200.320(f) in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

Student Supports — individualized Services provided to students to meet a specific need. Such as stipends, gas cards, or books.

Sub-recipient – the legal entity to which a sub-award has been made by the recipient, and which is accountable to the recipient for the use of the funds provided.

Time and Effort – Time and effort reports are required to document that federal funds were charged only for time actually worked on allowable cost activities and, ensure that federal programs paid only their proportionate share of personnel costs.

**Acknowledgement:**

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