GRANT

MANAGEMENT

HANDBOOK

**Santa Monica College
Santa Monica Community College District
Santa Monica College Foundation**

(Revised March 2024)

Introduction

Congratulations on receiving your grant and assuming the role of Grant Manager for this project! If you were involved in the writing of the grant application, this is a much-deserved reward for all of the effort you put in during the development and writing of the grant application. If you are new to the grant, and possibly new to the College, you will spend the first few months catching up, but please know that there are numerous resources on campus that you may access for assistance.

The purpose of this guide is to assist both seasoned and new Grant Managers in the administration of your grant or contract. This handbook covers all grants administered by College faculty, staff, and administrators for the benefit of SMC students, programs, and personnel, regardless if they were awarded to Santa Monica College, Santa Monica Community College District, or the Santa Monica College Foundation. Santa Monica College Foundation is a separate non-profit (501c 3) entity. The role of the Santa Monica College Foundation is to pursue private funding to support the College's mission. Many private grants are awarded to the Foundation for implementation by College personnel and programs. As such, the process for managing these awards is the same as the process for managing awards granted to the College, with a few exceptions depending on the specific award.

Our goal in giving you this handbook is to minimize the amount of time you redirect from project development and implementation and allocate toward project management, compliance, and audit readiness. As the Grant Manager you are responsible for ensuring that the grant is compliant with federal, state, and institutional rules, regulations, and procedures.

For any questions not answered in this handbook, you may receive additional assistance from:

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ROLES AND RESPONSIBILITIES – KEY PEOPLE

Before you get started, it is helpful to identify the key people involved in the grant development and implementation process. This process involves a number of people and offices that will continue to serve as resources throughout the life of the grant. If you are new to the College, you may want to review the College's current organizational chart to learn more about how the College is structured and the people currently filling these positions. The College's organizational charts are available at: https://www.smc.edu/administration/governance/. The most recent organizational chart may be found at: https://www.smc.edu/administration/governance/documents/Org-Charts-August-2023.pdf

External Grant Team
Program Officer: The Program Officer has been identified by the funding source as the person responsible for ensuring that the grant is implemented according to plan and within budget. The Program Officer is the College's primary point of contact with the funding source.

Internal Grant Development and Management Team
Grant Writer: The Grant Writer is the principal author of the proposal. In most instances, the Grant Writer is a member of the Grants Office; however, in some situations, grants are written by other members of the college community. The Grant Writer works closely with the individuals who will be responsible for implementing the grant award agreement, including the Grant Administrator and other impacted offices and programs. The Grant Writer is responsible for working with the Grants Office to develop, review, edit, and submit the grant application.

Grants Office: The Grants Office oversees all pre- and post-award grant activity at Santa Monica College and is directly responsible for grant writing, proposal development and application submission, unless otherwise discussed. The Grants Office provides technical assistance to Grant Managers throughout the life of the grant and will assist with the development of continuation applications and/or applications for new funding as needed.

Grant Administrator: The Grant Administrator is the lead administrator responsible for overseeing the Grant Manager and assuring that grant activities are completed on time and within budget. This person usually has an administrative position in the department responsible for implementing the grant. For some projects, the Director of Grants will serve as the Grant Administrator. While the Grant Manager is responsible for overseeing the day-to-day operations of the grant, managing the budget, and approving expenditures, the Grant Administrator is responsible for connecting with the Grant Manager and confirming that the grant is progressing as planned.

Grant Accountant: The Grant Accountant works in the Fiscal Services Office and is responsible for reviewing and processing all grant expenditures submitted by the Grant Manager. The Grant Accountant will make changes to the formal grant budget at the direction of the Grant Manager. The Grant Accountant also assures that the grant remains compliant with internal and external audit requirements, and as such, may request additional documentation prior to processing expenditures.

Accounting Manager: The Accounting Manager in Fiscal Services reviews the work of the Accountants and approves journal entries, budget transfers, and grant expense reporting prepared by Accountants. The Accounting Manager approves District requisitions after they have been reviewed by the Accountant.

Superintendent/President (or designee): The Superintendent/President is the College's Authorized Organizational Representative (AOR) and is responsible for authorizing new grant applications and signing grant award agreements. The Superintendent/President also approves and signs all subcontract agreements and any other formal grant documents. The Superintendent may delegate these responsibilities to the Division Vice President. (NOTE: The President of the Santa Monica College Foundation, who is also Dean, Institutional Advancement, at Santa Monica College, serves this role for grants made to the SMC Foundation.)

Last, but most importantly ……………

Grant Manager

The Grant Manager may also be known as the Project Director, Principal Investigator, and Project Manager, is the most important person on the grant. The Grant Manager may be an administrator (often hired as a project manager specifically to manage the grant but may also be an existing administrator who has taken on a new responsibility) or a member of the faculty (particularly on grants funded by national STEM organizations). The Grant Manager is the College's primary liaison with the funding source and is usually identified in the Grant Award Agreement. The Grant Manager is responsible for:

1) Initiating and approving all changes to the grant or contract—no expenses should be charged to the grant budget without the authorization of the Grant Manager. In addition, no changes should be made to grant activities without the authorization of the Grant Manager. This includes changes made by the Grant Administrator (the supervisor of the Grant Manager).

2) Reviewing monthly expenditure reports from Fiscal Services to determine the accuracy and allowability of all charges. The Grant Manager is responsible for the account and in assuring that there are sufficient funds to cover project-related activities.

3) Being familiar with and understanding the special circumstances of the grant award. Although all grants must adhere to relevant state, federal, and institutional rules and regulations, many grants have additional policies and procedures that grant staff must follow. The Grant Manager is responsible for attending grant-related workshops and conferences and other meetings organized by the Program Officers to identify the specific conditions of the grant. The Grant Manager must attend the new grant orientation meetings that many funding sources offer at the beginning of each new award period, either in person or through webinars. **Ultimately, it is Grant Manager's responsibility to read, understand, and implement all information and instructions sent from the funding source, SMC's Grants Office, and SMC's Fiscal Services.**

4) Implementing the grant and overseeing the day-to-day activities of the grant as outlined in the original grant application.

The following pages outline the specific duties of the Grant Manager as they relate to Program, Fiscal, Personnel, and Funding Source responsibilities.

Please review this guide thoroughly, ask questions when you don't know the answer, and share new information as you receive it with the Grants Office.

GETTING STARTED

The first few months of a new grant are both hectic and critical. Before beginning your grant award activities, the grant award must be approved by the SMC Board of Trustees (BOT).

The first step is to prepare the BOT Agenda Template (see sample in Appendix). Depending on when the grant is to proceed, this should be completed as soon as possible after the grant is officially awarded. Please review the BOT agenda item due dates (see sample due dates in Appendix) as the internal review and approval goes through several departments as well as senior staff review. Adherence to BOT agenda item dates will govern when your project will be presented to the BOT for acceptance and budget augmentation.

Please confer with the Fiscal Services Department for any questions as you prepare the BOT Agenda Template and support materials. The link to the Fiscal Services office website is https://www.smc.edu/administration/business-services/fiscal-services.php

Please note: if your grant award is a sub-award (SMC is not the direct grantee), then a separate sub-award agreement is required to be developed and signed by SMC's AOR, generally the Vice President of Business Administration or Superintendent/President will sign the agreement with the pass-through organization/institution prior to presenting the award to the BOT for acceptance. If your grant is a collaborative grant with another institution of higher education, they may have a sub-award template that they will draft for the sub-award. SMC does not have specific templates for sub-awards. In general, the sub-award may include:

- Project Purpose
- Award Amount
- Term (Period of Performance)
- Use of Funds
- Payment Terms
- Reporting Requirements
- Communication Requirements (Contracts)
- Termination of Agreement
- Disposition and Resolution
- Terms and Conditions

The organization/institution that received the funding from the sponsoring agency is the grantee and they will be passing the funds through to SMC and any other partners included in the grant. The Grant Manager is responsible for coordinating the development and execution of the sub-award in order to proceed with the additional documentation needed for submittal to the BOT.

After completing the template, this document should be routed to the Area Vice President for signature.

Once signed all award documents should be forwarded to the Fiscal Services office to the attention of the Accounting Manager. The Accounting Manager will then review the documentation for thoroughness and may contact you for additional information or clarification. Please refer to the Chart of Accounts in the Appendix to complete the budget section of the template for your award. As you prepare the BOT Agenda Template you will need to ensure that the planned expenditures for the project are identified against the correct accounting codes.

Information for the BOT package includes:

- BOT Board Agenda Template
- Official Grant Award Notification with Award Amount
- Submitted Application
- Project Description
- Approved Project Budget and Justification
- Award Reporting and Compliance Requirements
- Supplemental Support Documentation

While the package is being prepared for presentation to the BOT for approval, you should work with the Fiscal Services office to set up the person(s) who will be responsible for submitting requisitions in the BEST Accounting System. This may be a Project Manager, Grant Manager, Administrative Support or other support personnel.

Things to consider as you set up the internal processes for your project:

- Who will enter the requisitions for the Grant? Is that person already and authorized user in the BEST Accounting System? If the person is a new user they will need to complete training in the system prior to full approval and authorization in the system.

- Who is the Manager that will approve all requisitions and subsequent invoices?

- Which Vice President will approve Requisitions and invoices?

If you have a Project Manager/Grant Manager in place then great, you are on track. If a Project Manager/Grant Manager will be hired to oversee the administration of your grant then there are several additional steps for hiring that will be discussed in a separate section of this handbook.

The grant contract is negotiated with the funder and accepted by the BOT. The grant award is forwarded to Fiscal Services, which then sets up the budget and identifies one or more account

codes. The process for hiring personnel is initiated, and key internal and external collaborators come together for an initial planning meeting.

Ideally, the grant management team is in place as this is happening, but often the grant begins without the Grant Manager in place. That is ok, as there are many people and offices at Santa Monica College who are responsible for getting a grant off to a good start. This is critical, as a grant that begins well, often ends well. Delays in getting Board approval, budget set up, personnel hired, and goods and services purchased can cause problems throughout the duration of the grant. Problems or delays in the hiring process can have a particularly detrimental impact on reaching grant objectives on time, in the manner planned, and in accordance with the grant budget.

The time between the grant award notice and the actual start date will vary. Although costs for activities and personnel cannot be charged to the grant before the authorized start date, it is possible to advertise positions and interview, select, and orient key personnel before the grant starts. This is also a good time to convene internal and external partners and review the grant application, particularly the work plan, to ensure that proposed grant activities and outcomes are still relevant. Grant applications are often submitted six months to a year before their start date, and circumstances can and will change, particularly if your grant includes technology.

The project team also needs to review and confirm the grant management structure. Grant oversight and monitoring, as well as support for grant-related activities, will vary by project and administrative unit. The supervisor of the official Grant Manager is responsible for grant paperwork and activities until the Grant Manager is hired, although the Grants Office is available to provide this leadership and oversight upon request. Formalizing the grant management structure before the grant begins will help establish lines of authority and reporting.

The following page provides a Getting Started Checklist to be considered as you begin your project. Whether you were involved in the grant development process, start on day one, or begin four months after the start date, please use this list to confirm that all essential grant tasks are underway.

GETTING STARTED CHECKLIST

☐ **<u>BOARD OF TRUSTEES APPROVAL</u>**
- o Agenda Item Template
- o Copy of Grant Award (project descriptions, budget, timeline, etc.)
- o Copy of Compliance Guidance (reporting and other requirements)
- o Approved Budget

☐ **<u>PERSONNEL</u>**
- o Coordinate with Human Resources for appropriate staff hiring as approved in the grant award
- o Coordinate with the Office of Financial Aid for student workers as approved in the grant award
- o Coordinate with Fiscal Services concerning Time and Effort Reporting

☐ **PROCUREMENT SYSTEM SET-UP**
- o Requisition Set-Up
  - ▪ Identify the Grant Manager, Principal Investigator, or other person that will submit requisitions in the system
- o Requisition Approval (Manager/Administrator and/or Area VP)
  - ▪ Identify the Direct Supervisor, Manager or Administrator and/or Area VP that will approve requisitions in the system
- o Invoice Approval (Administrative Co-PI and/or Manager and/ or Area VP – 2-tier or 1-tier approval process)
  - ▪ Identify the person who will be responsible for approving invoices in the system

☐ Read the Grant Application and Grant Award Agreement

☐ Identify the source of funding (private/public, federal/state/county/city), the grantee (Santa Monica College or Santa Monica College Foundation), and all relevant policies, procedures, and compliance requirements

☐ Respond in a timely manner and/or as required to all follow-up requests by the funding source (as outlined in the Grant Award Agreement and/or subsequent communications)

☐ Inform Grant Administrator and Grants Office of any key changes to grant plan

☐ Inform Program Office of key changes to grant plan after consultation with Grant Administrator and Grants Office

☐ Identify and connect with your Grant Accountant

☐ Submit detailed budget to Grant Accountant

☐ Establish grant account codes (Grant Accountant will do this)

☐ Review personnel plan

☐ Initiate hiring process for all new positions (Division Vice Presidents initiate this process with Senior Staff based on input from grant leadership team)

☐ Identify faculty and/or other existing staff who will work on project

☐ Determine payment structure for all existing faculty/staff, if applicable

☐ Inform internal and external grant partners, as applicable

☐ Convene meeting of grant partners, if applicable

☐ Initiate Requisition process leading to a Purchase Order for collaborative partners – all subcontracts and consultant contracts follow SMC's Procurement process and are approved by the Board of Trustees.

☐ Review grant goals, objectives, and outcomes and the evaluation plan

☐ Initiate the grant evaluation plan, including identification of the project evaluator, which may be internal or external; work with the Office of Institutional Research, as appropriate.

GRANT IMPLEMENTATION

The Grant Manager has two basic responsibilities, including:

- Program Responsibilities – The Grant Manager is responsible for the development and implementation of the grant award agreement and assuring that project goals, objectives, and outcomes are achieved on time. In this capacity, the Grant Manager is responsible for working with many different groups on and off campus, communicating project goals and outcomes, and securing institutional support.

- Fiscal Responsibilities – The Grant Manager is responsible for fiscal accountability, meaning that you must ensure that grant funds are expended according to the grant agreement. The Grant Manager should review all expenses for accuracy and ensure that they are allowable, allocable, and reasonable.

GRANT IMPLEMENTATION

Program Responsibilities

PROGRAM RESPONSIBILITIES

__Carrying Out the Grant Agreement__

A grant is an award of funds from a funding source to the College to provide specific services or products within a limited time frame, often for a specific target population, and for an agreed upon amount of money. The proposal, negotiated budget, program regulations, and notice of award set the parameters of the project. By requesting money from the funding source, the College is committing to specific outcomes. IT IS A CONTRACT. If there is a breach in contract, the College can be held accountable by the funding source.

For this reason, the Grant Manager must be familiar with six essential documents, including:

1) Original grant proposal, specifically the project goals, objectives, outcomes, and activities. This is the grant's plan of action or work plan.

2) Negotiated budget. The budget is a key component of the contract.

3) Program policies, procedures, and requirements, including federal regulations, statutory provisions, and the legislation that initiated the grant, if funded with federal funding. Grant Managers of both public and private funding must comply with institutional regulations, as well as program requirements. Grant Managers of public funds must also comply with the appropriate government regulations, including federal, state, and city/county policies. Some grants funded through the state are supported by federal funds and thus it is essential that you know the source of funding.

4) Notice of award, which includes the project's award number, the Program Officer, and other essential information.

5) Board Action Item or Administrative Acceptance of the Grant: All grants must be approved and accepted by the BOT. This should occur prior to hiring of the Grant Manager. However, you should contact the Grant Administrator or the Grants Office to ensure that this has occurred.

6) SMC operational budget for the project as approved by the BOT and Fiscal Services: Each grant has two budget plans, including the plan that was submitted to the funding source using the funding source's budget forms and classifications, and the budget submitted to Fiscal Services, using the College's budget forms and classifications. While the budget numbers are the same (particularly the totals), how they are classified within budget line items may vary. It is important to have both budgets and understand how they are similar and why they are different.

    Depending on when the College hires the Grant Manager, Fiscal Services may not have received the internal budget forms yet. You should contact the Grant Administrator and/or Fiscal Services to ensure that the grant has an operational budget.

As you familiarize yourself with these documents, you should be able to answer the following questions:

Proposal Review Questions
- What are the start and end dates of the grant award? Do they coincide with the timeline included in the proposal? They may not, as it is often unclear during the pre-award process when funds will be available. If the dates do not coincide, you will need to revise the work plan as necessary.

- What college need generated the proposal? What is being done now to address that need? It can be up to a year between the time a proposal is written and the time it is funded. During this period, many things can change. Most grants are flexible enough to accommodate minor changes due to institutional changes that have occurred since the proposal was submitted. However, if these changes are substantial, you may need to contact your Program Officer.

- Who is responsible for achieving grant objectives? Is it you and the grant-funded project staff? Or will you be working within other departments on campus? If so, who are the key contact people and how will they come together?

- What results have been promised to the funding agency? How will you demonstrate that these results have been achieved? These are generally not negotiable, except will a solid rationale, and prior approval from the Program Officer.

- What special populations will the project serve, such as students from traditionally underrepresented racial/ethnic groups, women, individuals with disabilities, unemployed, or economically disadvantaged? How will the College pick participants? Are there any populations that cannot be served? What are the requirements for receiving services? These are very important questions because there are some grants that will not allow you to spend money on ineligible participants. If you do, the College may need to return money.

- What personnel are authorized in the grant? What are their responsibilities? Will you need to hire new staff or reassign existing staff? It can take significant time to hire new staff, so you will need to begin this process as soon as possible.

- Does the grant proposal state that you will work with external partners or collaborators? If so, do these relationships exist? If not, what will you need to do to establish these relationships? Do these partners know that the grant was funded? Will these partners receive grant funds? If so, is there a subcontract agreement in place? Many grants require partners because the funding source knows that the grant will not be successful if the grantee does not partner.

- Do you understand all of the technical jargon or special language used in the proposal? If not, refer to the funding regulations, the Grants Office, the Grant Writer, and/or other key institutional resources?

Negotiated Budget Review Questions
- Is the negotiated budget the same as the budget proposed in the initial grant application? If not, has a revised budget been sent to the funding source? The funding source has the discretion to reduce the size of our award. If they do, we may be able to negotiate a change in scope, outcomes, or activities to accommodate the reduced funding. However, do not contact the funding source without first speaking with the Grants Office and/or the Grant Administrator.

- Does the grant require an institutional match? Where will the matching funds come from? How will the College document the match? Please refer to the Match Section of this handbook for more information.

- Have activity timelines or objectives changes? Will this impact the budget?
-
- If the grant is already underway, have there been any expenditures? How do these expenditures align with the proposed and negotiated budgets?

Regulation Review Questions
As the Grant Manager, it is your responsibility to know the dos and don'ts of your grant. All grants are different, so you cannot expect the Grants Office or Fiscal Services to know the specific details of your grant. It is very important that you understand the state and federal regulations that apply to your project. These may be written in the Federal Register announcement, the authorizing legislation that approved the grant, the Request for Proposals, and department-specific rules and regulations, including the U.S. Department of Education's General Administrative Regulations (EDGAR) or the National Science Foundation's Grant Policy Manual. In addition, sometimes, grant regulations are attached to the award letter, particularly for state and local grants. Additional information is also distributed during new grantee meetings conducted by the funding source. Upon review of this information, you should be able to answer the following questions:

- Do you have a copy of the department-specific rules governing your grant?
- What are the eligibility criteria for participation in this program?
- What activities are allowable and disallowable?
- What costs are allowable and disallowable?
- Is travel authorized? Are there any limitations on out-of-state travel?
- Can the grant fund equipment? Are there any restrictions on equipment? Who owns the equipment?
- Are there any special guidelines to follow in procurement?

<u>Notice of Award Review Questions</u>:

The award notice authorizes the expenditure of grant funds. Without an award notice, Fiscal Services will not set up an account code, and you will not be able to spend money. In most cases, however, the college will receive the award notice prior to hiring a Grant Manager. You should have a copy of the award notice in your files. The award notice may include a separate contract that outlines the responsibilities of the grantee and the grantor. If the award notice does not include a separate contract, then the initial grant proposal is the contract of performance. Other items to remember:

- What is the grant number? (You will need to include this number on all communications with the Program Officer.)
- Did the notice and attachments contain any limitations on the grant or reporting requirements?
- What is the name and phone number of the Program Officer?

REMEMBER: The Grant Manager is the institution's expert for this grant. While the Grants Office and Fiscal Services are available to assist, it is your responsibility to know the details of your grant and to ensure compliance with federal, state, local, and institutional rules, regulations, and requirements.

Achieving Project Goals and Outcomes

The initial grant proposal is the College's contract with the funding source. It is what the college committed to doing in exchange for the money. For this reason, significant revisions in the direction of the project are generally unallowable without prior approval from the funding source. These changes in project scope include:

1) Changes in grant goals or objectives; and
2) Changes in grant outcomes.

If you and the project team determine that the College cannot achieve grant goals as written or if achieving the grant objectives is no longer part of the vision of the College and/or the impacted program(s), you must first ask permission from the funding source to do this. However, prior to contacting the Program Officer, the Grant Manager should discuss these changes with the Grant Administrator, the Grants Office, and the Grant Accountant.

In cooperation with the Grants Office, the Grant Manager will then contact the Program Officer at the funding agency to determine the procedure for requesting changes in the scope of the grant and discuss the plausibility of getting approval for the change.

> *The Grant Team cannot make changes to the project work plan that alter the scope or outcomes of the project until the College receives official written approval from the funding source. Likewise, grant funds should not be obligated for outcomes that are not yet approved by the funding source.*

It is becoming increasingly harder to negotiate changes in the scope of work once the grant is funded. Therefore, it is imperative that the Grant Manager, with support from the project team and the Grants Office, is able to articulate the reasoning behind the change. It is insufficient to say that the objective is unattainable. If you do so, the Program Officer might very well say, "then, why was it written as such? Your institution received funding based on the assumption that you could produce this outcome. If you can't produce, then please return the money."

As a new Grant Manager, it is quite likely that you were not involved in the writing of the initial grant application. It is also quite likely that you have more expertise than the individuals who wrote the grant. For this reason, it is important that you review your goals, objectives, and outcomes and work with the Grant Administrator and/or the Grants Office as soon as you have concerns that a goal or outcome may not be achievable. The institution will not hold you accountable if your concerns are justified.

Changes in Activities and/or Budget Distribution

Although changes in grant goals and outcomes are generally not allowable without prior approval, most grants will allow you to change the manner in which you will achieve your goals and outcomes. Changes in activities and subsequent changes in budget are generally allowable

without prior approval as long as these changes do not alter the overall scope of the grant. There are exceptions to this rule, so it is important to know the specific limitations of your grant.

Notable Exceptions that Apply to Many Grants

1) In almost all cases, it is unallowable to expend funds in a budget category/line item, such as supplies, travel, equipment, or salaries, that was not allocated funding in the initial grant budget. In other words, if the approved budget has $0 in the travel line item, you may not be able to travel without prior approval. If you want to expend money in an unfunded category, the Grant Manager should review the grant agreement and/or contact the funding source for prior approval if necessary. NOTE: When considering this change, the budget that matters is the budget submitted to the funding source, not the internal College operating budget.

2) For grant-funded projects that provide training stipends and/or other forms of direct assistance to project participants, it is generally not allowable to move money from this category to another category without prior approval.

3) Equipment is an area that many program officers scrutinize more closely than other expenses. As such, if the need arises to purchase a piece of equipment with a unit cost of more than $5,000 that was not initially budgeted in the grant, the Grant Manager may need to request prior approval from the Program Officer. In addition, changes to the proposed equipment purchases may need to be pre-approved by the Program Officer. For example, if the initial grant application indicated that the College would buy a 3D printer and then decided to purchase a high-end camera instead, the change may need to be approved by the Program Officer. You should always review the grant agreement before calling the program officer.

4) The Contractual line item is another area that program officers monitor closely. Prior to moving additional funds to the contractual line item, the Grant Manager must request prior approval from the Program Officer. This action is necessary because many funding sources have stipulations in the grant agreement that indicate if the grantee is going to subcontract funds to another entity to carry out one or more activities in the grant, the funding source must approve that entity. NOTE: Contracting out a grant objective is different than hiring a consultant to perform a service.

Much of the initial correspondence with the Program Officer can be made via email. However, if the Program Officer indicates that a formal request must be made to the funding source, this request must come in writing through a formal letter.

Evaluating the Project

Many grants require that the College provide both output and outcome data as part of a comprehensive evaluation plan. Therefore, the Grant Manager will need to develop a plan for collecting, assessing, and reporting this information as the project team begins to implement the grant. It is very difficult to gather evaluation materials after the fact.

If you are managing a grant that requires an external evaluator and the evaluator is not identified in the grant application, the Grant Manager will need to work with the Grant Administrator, the Office of Institutional Research, and/or the Grants Office to identify this person. One of the best resources for finding qualified evaluators locally, regionally, or nationally is the Evaluation Center at Western Michigan University (https://wmich.edu/evaluation You will also want to get references from other project directors on campus and within the grant community.

Once an evaluator is identified, the Grant Manager will work with the Procurement, Contracts, and Logistics Department to complete the contracting process. Most evaluators will be hired as Independent Consultants. To hire an Independent Consultant, the Grant Manager should complete the following steps:

1) Discuss the evaluation plan with the consultant and agree to outcomes, activities, and cost;

2) Submit a BOT agenda item to your division Vice President following the procedure set by the division – the agenda item should include the consultant's legal name, the dates of the contract, the cost of service, and a brief overview of the contract;

3) Complete the Independent Consultant Agreement;

4) Send the completed Independent Consultant Agreement, a federal W-9 tax form, and a state 590 tax form to the Consultant for signature – these documents can be returned via email;

5) Complete a purchase requisition form for the consultant; and

6) Submit the purchase requisition, the signed Independent Consultant form, and the signed tax forms to your division Vice President for review and signature – the Vice President's office will then submit all materials to the Procurement, Contracts, and Logistics Department for processing.

NOTE: It is essential that Procurement, Contracts, and Logistics Department receives these materials and prepares a purchase order before the consultant begins work. The Procurement, Contracts, and Logistics Department will not process a Purchase Order after the fact. As such, if time is of the essence, you may want to contact the Procurement, Contracts, and Logistics Department for further guidance.

Additional information regarding contracting with a consultant can be found on the Procurement, Contracts, and Logistics Department website at: https://www.smc.edu/administration/business-services/procurement-contracts-and-logistics/contracts.php   However, depending on the grant

funding source, other regulations may apply, and as such you should carefully read your award agreement.

If your grant does not specify that the College will hire an external consultant, you will need to conduct an internal evaluation and report the results to the funding source as requested.

If you have any concerns regarding the grant's evaluation plan, you should contact the Grants Office and/or the Office of Institutional Research as soon as possible.

REPORTING - Communicating Grant Successes

One of the most important tasks of the Grant Manager is reporting to internal and external constituents the successes and challenges of the grant project in meeting its goals and objectives. The funding source will outline its reporting requirements in the award letter, the attached contract, and/or in follow-up correspondence. ***It is the Grant Manager's responsibility to complete and submit these reports on time.***

Fiscal Services has implemented an internal grant reporting submission process to ensure all regulations and requirements are followed when submitting to a granting agency. Please refer to the Grant Reporting Submission Process document in the Appendix for detailed guidelines.

Many mid-year, year-end, and final reports require a financial report as well as a narrative report. The assigned Grant Accountant will help the Grant Manager with the required fiscal reports. The Grants Office is also available to assist with the completion of these reports and will edit reports upon request. The Grant Manager should keep all narrative and financial records on file.

Please provide a copy of all submitted narrative and financial reports to the Grants Office, maintaining one for your files.

In addition to informing the funding source of the successes and challenges of the grant-funded project, the Grant Manager should develop a plan for involving the campus community and individuals and organizations from throughout the district, if appropriate. Effective methods of doing this include:

- Program web site;
- Internal SMC Newsletter/ Bulletin;
- Campus-wide project announcements;
- Project advisory boards or steering committees; and
- Articles in the local newspaper.

For campus-wide project announcements and all activities involving the local media, please contact SMC's Public Information Officer.

Primary Liaison with the Funding Source

> *As Grant Manager, you are the primary liaison with the funding source, and it is very important that the funding source considers you their primary liaison.*

For this reason, you are the only person who should be initiating contact with the funding source, unless you are unavailable and an issue must be immediately addressed. However, you should inform your Grant Administrator, the Grants Office, and/or your Grant Accountant of any discussions that you have with the funding source that may positively or negatively impact the grant-funded project and/or the institution.

It is important to establish a relationship with your Program Officer as soon as possible after you begin the grant to facilitate future contacts with this individual. Therefore, one of the first tasks you should do after starting as Grant Manager is to call or email your Program Officer to introduce yourself. Ideally, the College will have already informed the Program Officer that you are now directing the project and serving as the College's primary liaison. You may want to confirm with the Grant Administrator and/or the Grants Office that the College has contacted the Program Officer. If the College has not completed this task, you may need to send a copy of your resume and/or other documents to the Program Officer.

While it is considered a best practice to communicate frequently with your Program Officer, you should not necessarily contact your Program Officer every time you have a question.

GRANT IMPLEMENTATION

Fiscal Responsibilities

FISCAL RESPONSIBILITIES

Account Set-Up

Each grant awarded to the College has its own SMC operational budget in Fiscal Services set up in accordance with both institutional policy and funding agency guidelines which prohibit the commingling of funds and facilitate audit review and compliance. When the BOT receives the request to accept the grant award, there is an operational budget page attached to the action item which outlines the grant budget by SMC object code. This is the budget that the College's Grant Accountant will use to set up your project budget as soon as it is approved by the Board.

This budget must be set up before personnel paperwork and other expenditures can be processed. As such, it is highly likely that Fiscal Services will have already identified at least one account code and project budget prior to the hiring of the Grant Manager. ***However, one of the first tasks that the Grant Manager must do is meet with Fiscal Services and determine if the budget is accurate and that sufficient funding is allocated to the correct object codes.***

Before you meet with Fiscal Services, here is some basic information about account codes:

SMC's account codes have 30 digits with each set of digits serving as an identifier for an essential piece of information. For example:

01.X-00000.0-22215-2345671-xxxx-00003

01.X   Identifies the type of funding, specifically whether the funds are restricted or unrestricted. All grant funding is identified as restricted, or categorical, funding, meaning that it is not part of the state allocation based on enrollment and that it has specific uses and reporting requirements. All restricted funds begin with 01.3. Accounts funding by state allocation begin with 01.0.

00000.0   Resource number—this number is almost always 0

22215   This is the CATYR—the last two digits identify the fiscal year in which funds have been allocated (20<u>15</u>). The first three digits refer to the base number which identifies the grant.

00003   This is the location code to identify the department or grant incurring the expense as well as the approval path for electronic approvals in the BEST system. For example, grants managed in the Earth Sciences are location code 00070 while International Education is 00021.

xxxx   This set of numbers is known as the object code and it varies depending on the type of expense, such as salaries, benefits, supplies, equipment, travel, etc. A complete list of account codes is available from your Grant Accountant and/or the Grants Office.

1234567   This number is the Activity Code that identifies the function of the expense (i.e., instruction, student services, administrative, etc.). If you have more than one account for your grant, it means that you are providing more than one type of activity. In most cases, this activity code is assigned by Fiscal Services prior to the start of the grant. However, you may want to meet with your Grant Accountant to discuss the project with him/her and ensure that the activity codes are correct and necessary.

Some grants may require more than one account code, particularly if the Grant Manager wants to track more than one budget, such as the budget of a subcontractor or if there are two or more activities outlined in the grant, such as in Title III and Title V. In addition, some grants require that we track direct and administrative costs separately and/or that administrative costs are kept to a certain percentage of direct costs. In these situations, more than one account code, as distinguished by the last seven digits will facilitate fiscal monitoring and reporting. In many cases, grants that have more than one budget included in the grant application will require more than one account code.

Once there is an approved account code or codes, the Grant Manager must develop a grant budget that is in sync with Santa Monica College's budget categories. Often, particularly for federally funded grants, the budget outlined in the grant proposal will not align with Santa Monica College's budget line items. *For this reason, the Grant Manager will need to develop two budgets for each account code—one that adheres to the line items identified by the funding source and another that follows the institutional format.*

As you transform your grant budget, you must be aware that any significant revisions to the Board-approved budget must be approved by the Board, while any significant revisions to the funding source budget must be approved by the Program Officer. You will want to work with your Grant Accountant to determine if your changes require board-approved amendments and with the Grant Administrator and Grants Office to determine if your changes require Program Officer approval.

It is essential that you understand the differences between the budget that is included in the grant application and reported to the Program Officer and the budget that is submitted to the College's Fiscal Services Office and included in the College's annual operating budget. You must monitor both budgets.

General Maintenance of Grant Account

It is the responsibility of the Grant Manager to work closely with Fiscal Services to ensure that the grant budget is regularly monitored for accuracy and completeness. Fiscal Services maintains a record of all grant expenses and the documentation to support those expenses. However, the Grant Manager should also keep a record of all expenses and the documentation to support those expenses. Although this may appear to be a duplication of effort, the two separate tracking systems provide a check and balance in case of errors. The Grant Manager should maintain a record of the following:

1) Time and effort reports for all staff who work on the project, including salaried employees, hourly assistance, student workers, and in-kind volunteer support;
2) Copies of all requisitions, purchase orders, and invoices as they are received;
3) Copies of all travel requests and requests for travel reimbursement;
4) Copies of all Professional Services Agreements;
5) Copies of all grant reports, including both programmatic reports and fiscal reports (and the documents used to develop those reports); and
6) Correspondence that further documents the need for and purpose of the item purchased.

The most effective method of tracking grant expenditures is to develop a "checkbook" for noting encumbered and actual costs. The line items for this internal budget should mirror the line items set up by the funding source. Although this will create some discrepancies between the monthly financial reports distributed by Fiscal Services and the grant budget, this will facilitate the completion of the financial report to the funding source. NOTE: State grants use the same object codes as the College and as such, there will be no differences between budgets.

At the end of each month, the Grant Manager should compare the actual charges with the encumbered charges to ensure that all charges to the grant are accurate. At times, expenses are erroneously charged to the wrong account, and it is the Grant Manager's responsibility to identify these costs, both those that are charged to the grant in error and allowable grant expenses that are charged to other accounts in error. During this monthly review, the Grant Manager should pay particular attention to the following and contact the assigned Grant Accountant to resolve any discrepancies:

- An encumbered expense that is significantly more or less than the actual expense;
- An encumbered expense that is never charged to the grant;
- An actual expense that was not approved by the Grant Manager; and
- Salary expenses that seem too high or too low.

A monthly audit of all expenditures is the best method of ensuring that the budget is spent accurately and in a timely manner.

It is essential that the Grant Manager contact the assigned Grant Accountant to receive the monthly financial management statements.

The Grant Manager must remember that the Grant Accountant may not do an in-depth review of whether or not an item is allowable, but only whether the math is correct. It is the Grant Manager's responsibility to ensure that the charges are accurate, reasonable, and allocable.

If something doesn't seem right, ask your Grant Accountant.

Expending Funds – BEST Advantage System

Purchasing: People, Supplies, Equipment, and Travel

One of the steps to implementing the project is initiating purchases for awarded equipment, services, or other project activities. The Grant Manager must authorize the purchase of resources necessary to implement these activities.

Requisitions

The current purchasing system through which you may submit requisitions, manage purchasing contracts, and other procurement-related activities is the BEST Advantage System (BEST).

BEST is a financial software system authorized for use by all California Community College Districts through the Los Angeles County Office of Education (LACOE).

Users in the BEST system must be set up to use the system and must attend training to submit requisitions, manage purchase orders, receive invoices and process payments to vendors.

The Fiscal Services office will provide the initial setup for those who have not previously been established in the BEST System. The Grant Manager will need to work with the Procurement, Contracts, and Logistics Department concerning the submittal of requisitions. As the Grant Manager, you will also ensure that you work with your Project Manager/ Grant Administrator and Area Vice President to approve purchase requisitions, purchase orders and invoices as necessary.

Please contact the Fiscal Services Office for details and assistance.

https://www.smc.edu/administration/business-services/fiscal-services.php

Procurement, Contracts, and Logistics SMC's Procurement, Contracts, and Logistics Department is responsible for the procurement of materials, equipment, and services for the College. Their objective is to obtain products and services at the best price; in a fair, open and competitive manner in compliance with California state statutes and College policies.

https://www.smc.edu/administration/business-services/procurement-contracts-and-logistics/

Please review the Procurement Transaction Levels and Authority Grids to gauge the procurement process(s) for your specific project requirements.

https://www.smc.edu/administration/business-services/procurement-contracts-and-logistics/transaction-levels.php

Please consult with the assigned Buyer for the specific to support the procurement needs for your project.

https://www.smc.edu/administration/business-services/procurement-contracts-and-logistics/buyer-assignments.php

Accounts Payable

In order to pay for items that have been submitted and approved through a purchase requisition a purchase order is generated in the BEST System. All acquisitions of materials and/or services require a Purchase Order (PO) which is issued by the Purchasing Department to the selected vendor. Upon submittal of a requisition in the system by the Grant Manager a PO is generated and invoices may be paid against the PO.

At the time the approval path is set up for the grant location code, the Grant Manager will indicate if there is a one-level or two-level approval process. Two-level invoice approval is not a requirement. Approval of invoices may include: 1) the Grant Manager and/or 2) Director/ Supervisor.

Invoices should be directed to the attention of the Accounts Payable Department at accountspayable@smc.edu. Once invoices are approved in the system a workflow is generated to AP for internal approval and processing and payment is generated to the specified vendor/consultant/service provider.

Additional support may be sought from the Procurement, Contracts, and Logistics office. https://www.smc.edu/administration/business-services/procurement-contracts-and-logistics/

Human Resources

For most grant budgets, the largest line item is Personnel. Subsequently, most Grant Managers often carry forward funds from one year to the next on multi-year grants because they do not hire grant personnel in a timely manner. For this reason, it is very important that the Grant Manager work closely with the Grant Administrator and the Human Resources Office to identify staffing needs and hire new employees as soon as possible. To begin the hiring process you must complete the Personnel and Budget Augmentation Request (PBAR) Form. Upon completion, this form will be routed to your Area Vice President for approval and then to the Fiscal Services Office. Once processed, the Fiscal Services Office will submit your request to the PBAR Committee for consideration and action. Upon approval, the PBAR form will be returned to your attention. The Budget Department will include the position in the upcoming BOT agenda for Board approval. Upon BOT approval this is your authorization to proceed in working with the Human Resources Department to begin the candidate solicitation and hiring process.

Information and instructions to complete the PBAR may be found here:
https://www.smc.edu/administration/business-services/budget/forms.php

Please contact the Budget Office for assistance at budget@smc.edu.
https://www.smc.edu/administration/business-services/budget/

Administrative Exempt Positions: For the most part, grant-funded projects will only hire one specific administrative exempt position, the Project Manager. While this position requires executive authorization to hire, approval is generally granted because the position is considered temporary. Once the grant ends, the position is usually eliminated. Grants can hire a Project Manager to serve as Grant Manager or to oversee a key component of the grant. For example, a large multi-year grant hired a Project Manager to develop a new program under the direction and leadership of the Grant Manager and/or the impacted department. Grants seldom fund new permanent administrative positions, although an existing administrator may be released to work on a grant for a portion of their time.

Faculty: Many grants will set aside funds for stipends, release time, or other forms of extracontractual pay to reimburse full- and part-time faculty for their time on the project. This work may be instructional or non-instructional depending on the focus of the grant. Some funding sources, such as the National Science Foundation, do not allow faculty to work more than 100% of their contract, and thus release time or summer and winter session work are required. Please consult with the Grants Office and/or the Grant Administrator for more information and to obtain the forms necessary for processing faculty stipends and/or release time.

Classified Staff: SMC's Personnel Commission oversees the recruitment and hiring of all classified staff positions, including project secretaries, administrative assistants, student services personnel, and other support positions. For many positions, the Personnel Commission maintains a list of qualified applicants from which a Grant Manager may interview and select a qualified candidate. However, prior to the interview process, the following steps must occur:

1) The Grant Manager completes an Employment Request form and obtains authorizing signatures from the Grant Administrator, the Vice-President, Accounting, and Human Resources;
2) Human Resources posts the position for transfer for a specified period;
3) The Personnel Commission audits the position to verify duties and determines existence of an Eligibility List;
4) If an eligibility list exists, the Personnel Commission will poll and certify the top three available ranks to HR department for Final Interview;
5) If an eligibility list does not exist, the Personnel Commission must approve the position on the Exam Schedule and identify recruitment and testing strategies; and
6) The Personnel Commission will then recruit and test all eligible applicants, create an eligibility list from these applicants, and then poll and certify the top three available ranks to Human Resources for Final Interview.

This process can take three to six months depending on the position and other hiring priorities. As such, this process should begin as soon as a need for classified assistance is identified.

NOTE: Classified positions are considered permanent positions, so the majority of grant applications do not include the hiring of classified staff because the College will not have a need for the position beyond the grant award period and may not have a need and/or the funding to support the position when the grant ends. If you are managing a multi-year grant and/or a grant with long-term renewable funding, it may be possible to hire a Classified staff person. Please consult with your Grant Administrator.

Student Workers: A grant-funded project may want to hire student workers to provide assistance with the project, while offering the student hands-on learning and resume experience. Grants may hire federal work-study student workers or student help student workers. The difference is that federal work-study student workers do not cost the grant as much money because the College uses federal work study dollars to offset the cost of the student help. However, not all students qualify for federal work study, so there are limitations in who the grant can hire. To hire a student worker, complete an online Student Request Form at https://www.smc.edu/admission-aid/financial-aid-scholarships/types-of-aid/student-employment/student-worker-request.php

Supplies and Equipment
All Supplies and Equipment must be ordered via a purchase requisition utilizing the process established by Santa Monica College's Procurement, Contracts and Logistics Department. The process of forwarding requisitions is now automated within the BEST system based on the approval path designated for each location. The sequence is Requisition Submitter>Project Manager>Accountant>Vice President. The Vice President (VP) is the last to receive the requisition. If the requisition is rejected for corrections, only the VP will receive the corrected version.

 A copy of the Purchase Order will be sent to the Grant Manager, who will keep this copy on file as documentation of the purchase.   When the item arrives, the Procurement, Contracts and

Logistics Department will send the Grant Manager the receiving invoice, which must be signed and returned to Fiscal Services. The Grant Manager should keep a copy of the invoice as proof of purchase and receipt.

Information about how to fill out a Purchase Requisition is available at

[LACOE-BEST Training Materials - Home (sharepoint.com)](#) or contact the Procurement, Contracts and Logistics Department for assistance.

Travel
Prior to authorizing grant-funded travel, the Grant Manager must ensure that the grant allows travel and that there is funding set aside for travel. Most grants do not allow international travel, including travel to Canada and Mexico, without prior approval from the Program Officer. In addition, many state-funded grants do not allow out-of-state travel, so it is essential to review the grant agreement before travel occurs. All travel must be related to the goals, objectives, and outcomes of your project. If your grant includes a large travel budget, such as for faculty/staff professional development, you may want to develop a form that travelers will complete that outlines how the travel is related to the goals of the grant.

If travel is an allowable cost in your grant, you must follow the following steps prior to traveling:

Complete SMC's **Conference or Meeting Authorization Request Form**, which requires you to estimate the costs of attending the conference, identify an account code for the travel, and obtain authorization from the Grant Administrator and/or Vice President (this form is available on the Fiscal Services website at [Business Services - Santa Monica College (smc.edu)](#). The direct link to the forms is [Faculty & Staff Forms - Santa Monica College (smc.edu)](#)

Please send the completed travel request to the President's Office, who will then forward it to Accounts Payable.

The Grant Manager must review and approve all requests to travel by faculty and staff who are doing so with grant funds. While the faculty or staff member may obtain the authorizing signature of their department chair or supervisor, the Grant Manager must sign as well.

Once you have received authorization to travel, you will need to arrange your own travel plans, including airfare, hotel, and other travel needs. Be sure to keep copies of all of your receipts, including airfare, hotel, taxi, food (note tips are limited to 15% of costs), and parking receipts, as the College will reimburse you for what you spend based on the receipts that you submit. In some instances, you may request an advance from the college to pay for conference/ meeting related expenses. These requests must be approved prior to travel by the Superintendent/President.

You may request the College to pay for your conference registration fees, if there are any; however, you must make sure that the request is received in Accounts Payable at least 21

working days prior to the event. If you are requesting that the College pay the registration fee please ensure the following:

1) Complete and submit the registration form online and indicate that you need an invoice to complete payment.
2) If the conference does not allow you to submit the registration form without payment, please advise Accounts Payable that payment is due at the time of registration. Print the registration form, fill it out, and send it with your conference request form. Accounts Payable will only mail out the check to the Conference Sponsor agency so make sure to attach the information of Conference sponsor agency such as contact info and remit address.

If the College is not able to pay the conference registration fee in time, you will need to pay these fees and keep a copy of your receipt for reimbursement later; as long as you have received approval through the signed Conference or Meeting Authorization form conference-meeting-authorization-request-form.pdf (smc.edu).

When you return from your trip, you will need to complete a **Conference Reimbursement Claim Form**, attaching copies of your receipts. This form is also available on the Fiscal Services website conference-meeting-reimbursement-claim-form.pdf (smc.edu). Please attach receipts on 8 1/2 x 11 paper and arrange receipts according to the Conference Claim Form's listed expenses. Once completed submit the original to Accounts Payable or e-mail clear readable copy to accountspayable@smc.edu

Please note that you should not exceed the maximum approved amount noted on the initial Conference or Meeting Authorization Request Form. If you have unexpected costs that are allowable by the grant, you will need to submit a revised Conference or Meeting Authorization Request Form with appropriate justification for the additional expenditures.   Once the Conference Reimbursement Claim Form is submitted, you will receive reimbursement within three weeks.

Local Travel
It is likely that you and others involved with your project will take local trips in your own vehicles for grant-related business. You can receive mileage reimbursement for these trips by completing the Mileage Report Claim (available on the Fiscal Services site at Faculty & Staff Forms - Santa Monica College (smc.edu) or Mileage Report Claim Form.

The mileage reimbursement rate varies from year to year. The current rate is available from your Grant Accountant. If you travel on a monthly basis, you should submit the Mileage Report Claim on a monthly basis as well. However, if you travel infrequently, you may want to submit the Mileage Report Claim after each trip.

Subcontracting, including Independent Consultants

In the course of a grant-funded project, it is often necessary to involve parties outside the institution to assist in the technical and programmatic aspects of the project, such as evaluation, training, workshop facilitation, etc. Normally the need for outside assistance is identified during the proposal preparation process and included in the grant application to the funding source as both an activity and a budget item. There are several strategies for formalizing an agreement with a third party.

Subcontract or Subaward: Some grants are collaborative grants or cooperative arrangements with one or more organizations external to the college. These partners may include another educational provider, such as a community college, a university, or a local K-12 school or district, a workforce partner, such as a WorkSource Center, or a community-based organization, such as the Boys and Girls Club. In collaborative grants, Santa Monica College has agreed to partner with the other institution to fulfill a specific set of grant goals and outcomes and has set aside a portion of the grant budget for the partner(s) to carry out activities to achieve those goals and outcomes.

As a subcontractor, the organization will contract with the College to perform a portion of the grant's scope of work. The subcontractor relationship implies that the subcontractor is an integral part of the project and accepts responsibility for a portion of the project effort. As an example, SMC may contract with UCLA to implement a grant to improve transfer rates of traditionally underrepresented students in STEM. As a subcontractor, UCLA will receive funding to provide direct services to SMC students as they graduate and transfer. Subcontractors are usually in the original proposal as collaborating partners.

A subcontract arrangement requires a formal legal contract that clearly outlines the roles, responsibilities and expectations of both the College and the partner. The Grant team is responsible for developing the subcontract agreement, referred to as a Memorandum of Service by the Purchasing Office. Depending on the timeline for hiring the Grant Manager, this subcontract agreement may be complete prior to the Grant Manager's start date. If not, however, the Grant Manager should work with the Grants Office to develop this subcontract agreement. Copies of other college contracts are available in the Grants Office. Please note, a Purchase Order is required for all payments including subcontract agreements.

In addition, the Purchasing Office has developed a Contract Provisions Checklist to help guide the development of this contract https://www.smc.edu/administration/business-services/procurement-contracts-and-logistics/documents/Contract-Provisions-Checklist.pdf.

The BOT must approve the subcontract/subaward with the external organization via a board agenda item. The subcontract agreement must be signed by the authorized organizational representative of both the partner entity and the College. The signed agreement should be submitted to the Purchasing Office, who will process a Purchase Order for the agreement.

Consultant: A consultant is an independent individual or organization external to the college that has a special field of expertise or skill. The consultant provides professional or expert opinion, advice or services regarding information or materials in his or her field of knowledge or

training to assist others in making decisions or in performing tasks. The consultant has little or no responsibility for the overall project effort and is usually retained on a short-term basis. Consultants include workshop facilitators, evaluators, and technical advisors. Consultants are hired via Independent Consultant Agreement.

As with the subcontract agreement, the Grant Manager is responsible for coordinating with the Procurement, Contracts, and Logistics Office to develop the Independent Consultant Agreement. Information on the submittal of the Independent Contractors Pre-Hire Worksheet and the Contractors/ Consultants Scope of Work and Essential Information forms may be found at Contracts – Santa Monica College (smc.edu). The process for hiring an independent consultant is:

1) Work with the consultant to establish project outcomes, activities, timeline, and cost;

2) Initiate an XReq in the Best Purchasing System

3) Complete the Independent Contractor Pre-Hire Worksheet to determine if the independent contractor meets the established criteria to be hired as an independent consultant.

4) Complete the Contractors/Consultants Scope of Work and Essential Information form – this form should be submitted with your XReq in the Best Purchasing System

5) Submit the Purchase Requisition and Scope or Work for approval through your Department Manager and Vice President

6) Submit a BOT agenda item to your division Vice President following the procedure set by the division – the agenda item should include the consultant's legal name, the dates of the contract, the cost of service, and a brief overview of the contract;

7) The Procurement, Contracts, and Logistics Department will obtain the necessary documents and required signatures for the Independent Consultant Contract

NOTE: It is essential that the Procurement, Contracts, and Logistics Department receive these materials and prepares a purchase order before the consultant begins work. The Procurement, Contracts and Logistics Department will not process a Purchase Order after the fact.

Service Contracts: At times, the Grants Team may decide to purchase a service from another organization. As an example, a transfer focused grant may want to send participating SMC students to a summer outreach event at UCLA. The event includes workshops, networking, campus tours, and housing. While it may seem like this should be a subcontract agreement given that another institution of higher education is involved, it is simpler and more cost effective to utilize the purchasing process to purchase a service from UCLA.

To purchase this service, the Grant Manager should complete a purchase requisition for the service and submit the requisition to the Grant Administrator and/or Vice President. The Vice President's office will forward the requisition request to the Procurement, Contracts, and Logistics Department, which will issue a Purchase Order.

NOTE: It is essential that the Procurement, Contracts, and Logistics Department receives these materials and prepares a purchase order before the consultant begins work. The Procurement, Contracts, and Logistics Department will not process a Purchase Order after the fact. As such, if time is of the essence, you should contact all parties that are required to sign in the electronic purchasing system to make them aware.

Additional information regarding contracting with a consultant can be found on the Purchasing Office website at: Contracts - Santa Monica College (smc.edu)

However, depending on the grant funding source, other regulations may apply, and as such you should carefully read your award agreement.

<p style="text-align:center">*****</p>

In each of these scenarios, the Grant Manager should work with the Procurement, Contracts, and Logistics Department to complete the contracting or purchasing processes. With the exception of grant-specific subawards, if the total cost of any purchase agreement exceeds the current threshold for a non-competitive bid process, the Procurement, Contracts, and Logistics Department will lead efforts to establish a bid process, recruit potential subcontractors, and select the lowest qualifying bid. Generally, a contract must be open for bidding for three weeks. If a competitive bid process is unnecessary, the Grant Manager will need to identify an individual or organization to carry out the proposed activities.

Annual Budget Development for Multi-Year Grants (including Carry-Over Funding)

Many grants are multi-year grants for which the College receives more than one year of funding. Sometimes these grants are awarded in one lump sum; in other instances, subsequent year funding is conditional based on satisfactory progress and the completion and submission of an annual report. It is important for the Grant Manager to complete all reporting requirements as outlined in the grant award agreement, so as not to miss crucial year-end dates and risk subsequent year funding.

If your grant award is a multi-year award, you will need to complete the College's annual budget process each year. While the original grant application may outline the budget for each year of the grant, the College's budgeting process is for a single year only. Therefore, each year, the Grant Manager will need to align the budget outlined in the grant application with the College's budget requirements. Each grant year will have a separate account code with the primary change being the CATYR, which will help delineate each year of the grant.

There are two phases to the College's budget process:

1) In March of each year, the Fiscal Services Office sends out information regarding the process for submitting the next year's proposed budget. Each individual responsible for one or more account codes must complete this process. The proposed budget is based on the next year award total as outlined in the grant award agreement and any subsequent grant modifications. The Grant Manager should work with their assigned Grant Accountant to set up this budget. When the proposed institutional budget is ready, it is presented to the BOT and if approved, allows grant staff to continue to expend money as the new fiscal year begins on July 1.

2) In August of each year, the College undergoes the same process to establish the adopted budget. For budgets that do not begin until July 1 of the new fiscal year, the adopted budget will mirror the proposed budget, unless changes/modifications have been made to the grant award and/or the specific funding year between March and August. Again, the Fiscal Services Office will inform the College community of the process and timelines via email. Failure to submit these documents may jeopardize your ability to spend grant funds.

Carry-Over Funding

In an ideal world, all grant-funded projects would begin on time, implemented according to the timeline outlined in the application, and cost exactly as budgeted. However, this ideal rarely exists. As such, it is important for the Grant Manager to be flexible and creative in their implementation and budgeting plan.

Despite the best planning, it may be impossible to spend the awarded grant funds in the fiscal year for which they are allocated. If this occurs, the Grant Manager may be able to carry-over unexpended funds into the next fiscal year. The ease in which the Grant Manager may do this depends heavily on the funding source.

In most cases, federal grants will allow the College to carry-over unexpended funds as long as there are legitimate reasons which prevented the College from spending all of the funds in the given fiscal year. Common examples include a delay in hiring the Grant Manager and the inability to purchase a large piece of equipment within the year it is budgeted.

Private, as well as publicly-funded state and local grants, may allow the College to carry-over unexpended funds as well; however, these requests are granted less frequently than for federal grants. If you are concerned that you will not be able to complete the grant goals and/or expend all of the grant funds during the award period, you will need to share these concerns with your Grant Administrator, the Grants Office, the Grant Accountant, and the funding source and determine an appropriate course of action.

If you receive written approval from the funding source to carry-over unexpended funds, the Grant Manager will need to work with the Grant Accountant and follow the budget process outlined on the previous page. Key differences in the process for carry-over funds include:

- In the proposed budget, the Grant Manager will need to consider all expenditures to date coupled with proposed expenditures through June 30 to estimate the total amount of funds to be carried over. This estimate is then used to prepare the proposed budget.
- For the adopted budget, the Grant Manager uses the total amount of unexpended funds as reported on the June Final budget report.

For grant agreements that award the entire grant in one lump sum, despite a multi-year timeline for grant implementation, Fiscal Services may elect to establish one budget for the full award, which will then require carry-over budgets in subsequent years. This decision is made during discussions with Fiscal Services, the Grants Office, the Grant Administrator, and the Grant Manager (if hired).

Project Extensions

As with carry-over funds, it may be necessary to request a no-cost extension as your grant comes to an end. A no-cost extension occurs when the grant end date is extended beyond the original grant end date, but no additional funding is granted. This is often necessary when the College has been unable to complete key project tasks on time, there is an under-expenditure of grant funds, or the College is still collecting evaluation data and needs additional time to prepare the final report. It should be noted that a no-cost extension should not be requested simply to spend down remaining grant funds. If all project goals have been completed and there are funds remaining, it may be of benefit to return unexpended funds. The Grant Manager should consult with the Grant Administrator, the Grant Accountant, and the Grants Office.

As with changes in the scope of the program, the Grant Manager will likely need to make a formal request for a no-cost extension, although some federal granting agencies automatically grant no-cost extensions without a formal request. Extensions should be requested within 90 days of the grant award end date and/or as required by the funding source. Adequate notice must be given to the College's administration, via the Grants Office and/or the Grants Accountant, and the funding agency since it is illegal to expend funds after an official grant termination date.

As with the carry-over of funds, private, as well as publicly supported state and local grants, may also grant no-cost extensions upon request, although it is much less common on state awards. The Grant Manager should consult the grant agreement and/or the Program Officer.

Supplanting vs. Supplementing

In nearly all circumstances, grant funds cannot supplant existing resources, meaning that you cannot use grant funds to pay for existing costs that would otherwise be paid by the College.

Grants cannot underwrite the costs of current operations!

(The exception to this rule is private grantmaking for operating costs, although generally the College has indicated a need for additional funding to maintain the program.)

While supplanting is prohibited, grant funds can be used to provide supplemental—or additional—services or activities to existing institutional programs and services. In cases where it appears that ongoing, operational costs have been shifted to grant funds, auditors will look at the use of the "freed" or "displaced" institutional money to determine whether or not supplanting has occurred. All displaced institutional monies must be used to support costs directly related to the successful implementation of the project—"freed" dollars cannot be absorbed back into the general fund and used elsewhere.

Most common charges of supplanting involve personnel costs. For example, the College receives a grant award to support an existing program and a portion of the grant award will pay the lead administrator to manage the grant. Supplanting may also occur when the College receives funding to provide counseling services for a program that already provides counseling services, but uses grant funds to support the existing counseling services rather than assign additional counseling services.

Given this, *are there any circumstances when personnel who currently are paid with institutional funds can be assigned to work on project activities and receive compensation from grant funds?*

YES, provided that –

1) You document that the College replaces the individual who is reassigned to work on grant activities and uses institutional dollars to pay the replacement;

   AND/OR

2) You clearly document that the College uses the displaced College dollars to pay costs directly associated with the successful implementation of the grant project and achievement of grant objectives, including non-personnel costs. This documentation should be included in grant files.

The College may also be able to make the case, particularly during times of economic crisis, that it does not have sufficient funding to support the program and that the new grant award is allowing the College to maintain existing services. This is a concern that should be addressed by the Grant Administrator and the responsible Vice President in consult with Fiscal Services and/or the Grants Office.

If the College can show that a budget cut or reduction in funds in the operating budget would result in the elimination of positions, grant funds may be used to support existing costs. However, this should be clearly documented in the grant files by Senior Administration.

It is very important that you, as the Grant Manager, understand the importance of the supplanting vs. supplementing concept. In most cases, you are the gatekeeper for grant funds, and it is your responsibility to remind other College staff, including at times, your supervisor, of the prohibition against supplanting. This is particularly important during times of fiscal constraint when the College is carefully reviewing and utilizing all available resources.

On the next page is a form that you may use to document the use of displaced funds.

**If you have a supplanting concern,
please contact your Grant Accountant or the Grants Office.**

EXAMPLE: DOCUMENTATION OF NON-SUPPLANTING		
Existing Staff Member Reassigned to Grant	**Role in Grant**	**Use of Displaced College Funds**
Project Year One ()*		
Jane Doe, Associate Dean (50% Release Time = $50,000)	Project Director	Rental of community space for project outreach (relates to grant objective 1); and Development of computer lab for use by project participants (relates to grant objective 2)
John Doe, Faculty Member (20% Release Time = $20,000)	Activity Director/Faculty Lead	Hire part-time faculty person to replace instructor in the classroom; remainder of funds to Fiscal Services Office for expanded hours of Grant Accountant.

- Necessary only if it is a multi-year grant.

Matching/Cost Sharing

Some grant-funded projects require that the College contribute to the total cost of the project. Cost sharing or matching (the terms may be used interchangeably) represents the use of institutional and community funds to supplement project costs not supported by the grant award, but essential for the achievement of grant goals and outcomes.

The policy of Santa Monica College is to make a cost sharing commitment only when required by the funding source or by the competitive nature of the award and then to cost share only to the extent necessary to meet the specific requirements of the grant program. This policy recognizes that the College is responsible for documenting all match funds and ensuring that it fulfills its obligations as outlined in the grant application. Given that it can be difficult to obtain and document match funding, the College's policy is to commit only what is necessary. The cost sharing commitment must be approved by the College's executive administration including the Vice President of Business and Administration prior to submitting the grant application.

Cost Sharing Obligation

There are several points in the proposal and award process at which the college may incur a cost sharing obligation.

1) Cost sharing may be committed in the grant application for one of two reasons: 1) the funding source requires cost sharing as a condition of applying for an award; and 2) the College makes a commitment of cost sharing for competitive purposes, meaning that the College's proposal will read more favorably with the reviewers if cost sharing is included. In both of these situations, cost sharing is quantified in the proposal budget and becomes the basis for the grant award. ***If an application includes cost sharing in its official proposal budget, the College must obtain and document this match regardless of any future actions or changes in grant scope.***

2) Cost sharing not quantified in the original grant proposal budget may be contributed by the College during the implementation of the grant award if available grant funding is insufficient to perform the agreed upon scope of work. Examples of this type of cost sharing include: 1) the funding source does not fund the project at the level requested in the proposal and the full amount is needed to accomplish the project's scope of work; and 2) a cost overrun occurs on a grant-funded account, and the College must utilize institutional resources to cover the expense. ***Although this is not considered a required match, the Grant Manager should document these expenses and report these contributions in any required reports to the funding source.***

Sources of Match

Cost sharing may be met from the following sources:

1) College funds provided for the benefit of the specific project: The College may contribute direct services and/or materials and supplies to support the project, using institutional funding to support the cost. Examples of this type of support may include a percentage of salary and benefit costs allocated to a grant-funded project for staff who will work part-time on a project or equipment and supplies purchased by the College for the benefit of the project. Personnel costs and equipment and supply purchases that directly benefit the grant are the best sources of institutional match and are the easiest to document. If at all possible, these sources should be pursued first. ***However, if a piece of equipment or set of supplies will benefit more than one project, then only a percentage of the cost can be used as match, based on the actual percent that each project uses the equipment or supplies***.

2) Unfunded or waived indirect costs: Waived indirect costs are indirect costs that the College could otherwise recover from the funding source, but has agreed to forego and/or charge less than the approved amount. The difference between the indirect costs accepted and the amount that would have been provided at the full rate may be used as cost sharing if approved by the funding source. ***However, if indirect costs are not an allowable cost of the grant award, then the College cannot use indirect costs as match, unless approved in writing by the funding source.*** In addition, in some circumstances, the funding source does not reimburse indirect costs at the full rate, such as U.S. Department of Education Discretionary Grants which typically have an 8 percent allowed indirect cost rate. ***The difference between the approved rate and the College's federally negotiated indirect rate cannot be used as match, unless approved in writing by the funding source.***

   PLEASE NOTE: At this time, the College does not have a federally approved indirect rate, and as such, unfunded or waived indirect costs cannot be used as match. However, since the College does not have an indirect rate, costs that are traditionally included in the indirect rate, such as facility use, accounting and payroll services, marketing services, etc., can be used as match if approved by the funding source, directly benefit the grant project, and are documented.

3) Activities funded by another grant program: However, this is rare and allowable only if approved by both funding sources. ***With few exceptions, federal funds cannot be used as cost sharing on other federally funded projects.***

4) Third party contributions: This is support from non-college sources, including cash, but also in-kind contributions, such as space, materials, equipment, and staffing. Volunteer time may also be used as match, although many grants have limitations for using volunteer time for match. For this reason, please review your grant agreement, the Request for Proposals document, and any special considerations outlined in other communications. ***All third party contributions must be valued fairly and reasonably and be similar to what they would have cost had the College paid for the items or services itself.*** The following chart provides additional information regarding specific types of third-party in-kind contributions:

Volunteer Services	Services provided by volunteers are valued at rates consistent with those paid by the College to its employees performing similar work. If the College does not have employees performing similar work, these services are valued at the same rates as those paid by other employers for similar work in the labor market in which the College competes. In either case, paid fringe benefits that are reasonable, allowable, and allocable may also be considered as match. If an appropriate rate is unknown, $25 for non-professional services and $50 for professional services are good rates to use, particularly if benefits are not included.
Employees of Other Organizations	When an employer other than the College provides the services of an employee, these services are valued at the employee's regular pay (plus an amount of fringe benefits that are reasonable, allowable, and allocable, but exclusive of overhead costs), provided they are in the same line of work for which the employee is normally paid. If these services are in a different line of work, then the rules for volunteer services apply.
Donated Supplies and Loaned Equipment or Space	If a third party donates supplies, the contributions should not be valued in excess of the market value of the supplies at the time of the donation. If a third party donates the use of equipment or space in a building, but retains title, the contribution is valued at the fair market rental value of the equipment or space.
Donated Equipment	If a project receives donated equipment, the donation should be handled by the Santa Monica College Foundation. Since the donor will usually take a tax deduction for the contribution, he or she must substantiate to the IRS the value of the contribution. The Foundation will ask the donor for a letter or other documentation that states the value of the contribution and provide this information to the Grant Manager. If relevant, the Grant Team may need to include depreciation when determining the value of the gift.

A few examples of matching costs that people tend to forget:

1) When consultants charge a lower rate for services rendered because the College is an educational institution, the College can use the difference between the standard rate and the educational discount as an in-kind contribution, if it is properly documented. To document this contribution, the consultant must provide a letter that clearly states he has provided an educational discount, indicating both the regular rate and the discounted rate.

2) If the project requires an Advisory Committee or a Steering Taskforce, the Grant Manager can count this time as in-kind contributions for volunteers and cash contributions for

individuals who are paid to attend by their employer. The value of this effort is based on each participant's actual rate of pay, as if their employer was billing for their time. To document this effort, the Grant Manager must keep detailed meeting minutes that outline who attended, the dates and times of when each member participated, and the travel time for each attendee to and from the meeting.

3) Match (as cash, volunteer, or in-kind donations) can also include technical assistance, mentoring, job fairs, tutoring, field trips, and presentations. To document these activities, the Grant Manager must maintain an activity log that states the name, phone number, position, and hours spent working on the project, including travel time to and from the activity site.

4) Educational discounts on software, equipment, and supplies may also be counted as a third-party cash contribution, although some funding agencies do not allow this.

Tracking Match

Grant Managers must track their grant's match as they would actual expenditures. When the Grant Manager provides Fiscal Services with a detailed budget with line-item breakdown, the Grant Manager must also provide a detailed match budget, identifying the items that will serve as match, particularly personnel costs, if they are known. The account number for this match will be similar to the account code for the grant, with the exception that the match will come from Fund 01.0 instead of 01.3. As such, all grant-related match budgets will begin with 01.0.

Some expenses may not be tracked by Fiscal Services, such as facility space and volunteer services. These costs must be documented by grant staff and monitored by the Grant Manager. Because the match is auditable, supporting documentation is required and should be kept in the grant files.

Leveraged Resources

In recent years, many grant sources, particularly federal sources of funding, have moved away from requiring cost sharing or match funding because these are auditable requirements and can lead to significant challenges for institutions. In lieu of this change, funding sources are now requiring leveraged resources, which are similar to match resources, but are not assigned a dollar value and are therefore not auditable. Leveraged resources are usually outlined in the grant application, and the College may receive points during the grant review process for including these resources. While leveraged resources have no dollar value, their inclusion in the grant application does require that the College continue to offer these services during the grant award period. Examples of leveraged resources may be standard counseling services offered by the College and provided to students participating in the program, technical assistance offered by an existing institutional committee, co-located services provided by organizations external to the institution, but available to program participants.

> **If you have any questions regarding match or leveraged resources,**
> **please contact the Grants Office.**

Audit Readiness

Audit readiness occurs at several levels at Santa Monica College.

The College's Annual Single Audit

First and foremost, as a recipient of federal funding, the College must conduct an annual independent internal audit each year. As part of this process, the College contracts with a third-party auditor that reviews its financial statements on an annual basis and determines if the College is in compliance with federal, state, and local requirements. This audit includes a review of the College's grant funded programs, particularly the federal grants.

These annual audits are always conducted within a tight timeframe, and Grant Managers are expected to be available to answer questions and provide documentation if necessary. The Fiscal Services Office alerts Grant Managers of the dates of the annual audit so that personnel can plan accordingly. The Grant Manager should be prepared to answer questions about your project for both the current year as well as any charges that may have carried over from previous years. Written documentation will not only refresh your memory but will help you answer the auditor's questions.

The annual independent auditor will not review all grants each year; instead, the auditor will select one or more for review. Grants that are often reviewed annually include large, multi-year federal awards; however, smaller grants may also be reviewed. The audit includes both a financial review and a program review. The program review will examine the degree to which the project has completed its stated objectives, particularly the number served. If the project is not meeting its program outputs and outcomes, but is expending the funding, then the College may be at risk of returning funds to the funding source. On the financial side, the audit may uncover disallowed costs or other internal control lapses that will require institutional redress.

Funding Source Audits

In addition to the single audit, grant-funded programs are also often reviewed and evaluated by the funding source as well. The most stringent of these reviews is a formal audit conducted by the funding source often triggered by concerns that the project is not progressing as planned. More common, however, are site visits by the Program Officer, conducted either in person or through webinar, in which the Program Officer reviews the project status, institutional controls for managing the funds, and other compliance requirements. These site visits usually include a review of programmatic activity and outcomes, as well as fiscal monitoring and reporting.

For these reasons, the Grant Manager is responsible for ensuring that the grant is audit ready at all times. On the programmatic side, the Grant Manager can accomplish this by ensuring that the grant files contain documentation demonstrating that the College has achieved each objective. If the scope of the project has changed since the initial negotiation, you should ensure that you have written documentation approving the change(s) in the file. The Grant Manager should use the grant work plans, which generally outline key outcomes and the strategies by which the College will achieve those outcomes, as an easy way to organize documentation. Auditors will usually study these work plans prior to their campus visit, and thus it is essential that the grant team is adhering to these plans.

If an objective is not completed on time, the Grant Manager should be able to explain the lack of activity and progress and include this information in the annual grant report. There are several legitimate reasons why objectives are not completed on time, including:

- Delay in hiring key staff to carry out the objective;
- Loss of key staff on the project team;
- Changes in the needs of the targeted population;
- Changes in technology that lead to a delay;
- External commitments that did not materialize as planned; or
- Changes in baseline evaluation tools.

Preparing for a financial audit can be more difficult because in addition to the grant application, the Grant Manager must assure that grant expenditures and required documentation meet the terms and conditions of the funding source as outlined in all grant compliance documents. The Grant Manager must ensure that you did not authorize the use of grant funds for prohibited expenditures. If the Grant Manager finds unallowable expenditures charged to the grant, you must address this immediately with the Grant Accountant before the auditors arrive. If a prohibited expenditure remains charged to the grant, it can serve as prima facia evidence against the College, as well as those involved.

The area of greatest concern and risk is in the area of matching contributions from the College and other entities in support of the grant. As such, the College policy is to include match in a grant application only when it is necessary. Auditors are particularly sensitive to the issue of supplanting, and thus it is crucial that the Grant Manager ensure that all match personnel costs are supported with Time and Effort Reports.

For both the grant budget and the match budget, the Grant Manager must be prepared to verify that all expenditures were expended and tracked in accordance with the compliance documents. Unfortunately, not all grants are bound by the same compliance requirements.

Federal Grants

2 CFR Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards establishes uniform administrative requirements, cost principles, and audit requirements for Federal awards to non-Federal entities. In years past, the Federal Office of Management and Budget maintained multiple circulars that outlined how the institution should spend federal funds. If you have managed grants before, you may remember these circulars, including:

- OMB Circular A-21 - Cost Principles for Educational Institutions
- OMB Circular A-110 - Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations
- OMB Circular A-133 - Audits of States, Local Governments, and Non-Profit Organizations (06/24/1997, includes revisions published in *Federal Register* 06/27/03)

The circulars referenced above are now obsolete and have been replaced with **2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audits for Federal Awards** which provides guidance to institutions as they implement their federal grant awards. This document is relevant to a number of state-funded grants as well, as many are funded with federal funds. The guidance may be found at **eCFR :: 2 CFR Part 200 -- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards**.

Each of the federal agencies has incorporated CFR Part 200 into their existing policy and procedures manuals, including:

- EDGAR for the U.S. Department of Education
- Proposal and Award Policies and Procedures Guide for the National Science Foundation

The Grant Manager should identify the grant award guidebook for the grant you are managing and use this guidebook to help direct costs. It is important that Grant Managers are familiar with these documents and adhere to the principles and requirements outlined in each. In doing so, Grant Managers will help ensure audit readiness.

These are lengthy documents. However, the following includes important highlights from CFR Part 200 that have been adopted by each federal agency:

- Part 200.415: Required Certification - An official authorized to legally bind the non-federal entity must certify annual and final fiscal reports or vouchers requesting payment:

  "By signing this report, I certify to the best of my knowledge and belief that the report is true, complete and accurate and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the federal award. I am aware that any false, fictitious, or fraudulent information or the omission of any material fact, may subject me to criminal civil or administrative penalties for fraud, false statements, false claims, or otherwise."

  This is an important reminder to Grant Managers that they cannot sign off on their annual reports. These reports must be approved via signature by an Authorized Organizational Representative, specifically the Superintendent/President, or designee.

- Part 200.403: Factors Affecting Allowability of Costs - All costs must be:
  o Necessary and Reasonable for the performance of the Federal award and be Allocable under these principles
  o Conform with federal law and grant terms
  o Consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity
  o In accordance with Generally Accepted Accounting Principles (GAAP)
  o Not included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program
  o Adequately documented
  o Cost must be incurred during the approved budget period

More information regarding CFR Part 200: Uniform Administrative Requirements, Cost Principles, and Audits for Federal Awards may be obtained from the Grants Office or at <u>eCFR :: 2 CFR Part 200 -- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</u>.

<u>Non-Federal Grants</u>

Non-federal grants may also have specific compliance requirements as outlined in Conditions of Award documents. These are usually outlined in the Grant Award Agreement or included in the Request for Proposals. The Grant manager must be familiar with these documents and use them as a resource when making fiscal decisions.

Time and Effort Reporting

One of the most important things that the Grant Manager can do to assure that the project is audit ready is to maintain accurate time and effort report forms for all staff. Simply stated, time and effort reports document the amount of time that each staff person spends working on a particular project and compare this time allocation with the amount of time stated in the individual's contract and billed to the funding source.

As a recipient of state and federal funds, Santa Monica College must comply with the Time and Effort Reporting Requirements as outlined in Part 200: Uniform Administrative Requirements, Cost Principles, and Audits for Federal Awards. Part 200:430 (I)(1) and (I)(4) Standards for Documentation of Personnel Expenses which indicates that charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed and adequately demonstrates that the employee worked on that specific federal program cost objective. These records must be maintained for all employees whose salaries are:

- Paid in whole or in part with federal funds
- Used to meet a match/cost share requirement

These records MUST:
1. Be supported by a system of internal controls which provides reasonable assurance charges are accurate, allowable and properly allocated;
2. Be incorporated into official records;
3. Reasonably reflect total activity for which employee is compensated, while not exceeding 100% of the employee's time.
4. Encompass all activities (federal and non-federal);
5. Comply with established accounting policies and practices; and
6. Support distribution among specific activities or cost objectives.

Budget estimates alone do not qualify as support for charges to Federal awards, but may be used for interim accounting purposes if they:
- Produce reasonable approximations
- Identify significant changes to the corresponding work activity in a timely manner
- Include internal controls in place to review after-the-fact interim charges based on budget estimates

For records which meet the federal standards, the College is not required to provide additional support or documentation for the work performed. These records include Classified Staff payroll records. However, for faculty and administrators who work part-time on a grant project, additional time and effort reporting is required as outlined in the following policy statement.

Time and Effort Reporting Policy Statement

1. Time and effort reporting shall reasonably reflect the percentage distribution of effort expended by Santa Monica College employees involved in externally funded grants, contracts, and cooperative agreements, and shall be incorporated into the records of the College. These reports shall reasonably reflect the activity for which the employee is compensated and shall encompass all activities on an integrated basis.

2. Each employee whose time is committed to an externally sponsored project shall complete a time and effort report. This report is required regardless of whether such time is paid by a federally sponsored agreement, a private foundation, or is an unpaid contribution, i.e. cost share match. Committed cost sharing, either voluntary or mandatory, must be included in time and effort reports.

3. Santa Monica College uses an "after-the-fact effort" reporting system. This indicates that the distribution of salaries and wages will be supported by activity reports signed by the Grant Manager and/or Grant Administrator. While the Grant Manager can review and approve all employees committed to the project, the Grant Administrator must review and approve the work of the Grant Manager.

4. Fiscal Services, working in coordination with the Grant Manager, is responsible for the distribution, collection, and retention of all employee time and effort reports. Individually reported data will be made available only to authorized auditors. Grant Managers are strongly encouraged to keep copies of all Time and Effort Reports associated with their grant projects.

5. The Time and Effort report must represent, in percentages totaling 100%, a reasonable estimate of an employee's effort for the reporting period. Compensated effort includes all research, teaching, administration, service, and any other activity for which an individual received compensation from the College. *Note: It is recognized that research, instruction, and service are often inextricably intertwined and estimates will be necessary in most cases.*

6. Effort and payroll distributions are NOT the same. The time and effort reporting process is a method for confirming salary charges made to all sponsored awards. For all salaried employees, payroll distributions are estimates of how effort is anticipated to be expended.

7. The federal government can impose severe penalties and funding disallowances as a result of missing, inaccurate, incomplete, or untimely time and effort reporting. Santa Monica College expects that Grant Managers will complete time and effort reports completely and in a timely manner. Further, at the discretion of the administration, payment for effort expended on the grant may be withheld if time and effort reports are not complete. Santa Monica College also reserves the right to charge cost disallowances on sponsored projects resulting from the Grant Manager's failure to submit appropriate time and effort reports to the departmental operating account.

Time and Effort Reporting Procedures

1. When Santa Monica College receives an award from an external sponsor, the assigned Grant Administrator will identify and hire the necessary staff and prepare a projected distribution of effort for the fiscal year. This will be based on the budget proposed to the sponsor and will be provided to the Grant Accountant in the required format.

2. Based on the projected distribution of effort through the life of the grant, the frequency of reporting required and the time and effort report forms to be utilized will be determined by the Grant Accountant and the Grant Manager. All individuals working on externally funded activities will submit time and effort reports at least once per semester.

3. The Grant Manager will be responsible for distributing and collecting Time and Effort Reports for all externally funded personnel.

4. Each employee receiving a Time and Effort Report shall provide the actual percentage worked for the reporting period. The employee will sign the time and effort report to verify that the time and effort reported is accurate.

5. Time and Effort Reporting Forms must be reviewed and confirmed by a person having firsthand knowledge of the employee's activities. In many situations, this will be the Grant Manager. However, for some projects, the person supervising the grant-funded work will not be Grant Manager. In these situations, the employee's supervisor will confirm that the employee worked the reported hours. The Time and Effort Report will then be sent to the Grant Manager who will review the report and confirm the work. Confirmation is indicated by a countersignature on the form. Original signatures are required; rubber stamped or electronically produced signatures are not acceptable.

6. The Grant Manager must review and verify all Time and Effort Reports associated with the sponsored project(s) using suitable means of verification that the reported work was performed. If the Grant Manager is the employee completing the Time and Effort Report, the report must also be reviewed and signed by the Grant Administrator.

7. Grant Managers are required to return appropriately completed and signed Time and Effort Reports to the Grant Accountant by the 10th day of the following month.

8. The Grant Accountant will review the time and effort report and confirm appropriate verification.

9. Any salary reallocations or adjustments resulting from Time and Effort Reports will be made as determined by the Grant Accountant and the Grant Manager.

Time and Effort Reporting Forms

The following outlines the forms to be used for Time and Effort Reporting:

1. Most employees conducting work on an externally funded project will utilize the College's Time and Effort Report available from the assigned Grant Accountant. If an employee works on multiple activities or account codes within the externally funded project or on other institutional activities or account codes external to the project, a distribution of the employee's salary and wages to account code must be supported. Instances of multiple activities or account codes for which Time and Effort Reporting is required include:

   If an employee works on –

   - More than one Federal award.
   - A Federal award and a non-Federal award.
   - An indirect cost activity and a direct cost activity.
   - A grant-funded project and receives release time from all or part of the instructional contract to complete the project;
   - Two or more indirect activities that are allocated using different allocation bases.
   - An unallowable activity and a direct or indirect cost activity.

   The Time and Effort Report must –

   - Reflect an after-the-fact percentage of time allocated to each project.
   - Account for the total activity for which each employee is compensated.
   - Identify all account codes that support the employee's time.
   - Be prepared at least monthly and coincide with one or more pay periods.
   - Be signed by the employee.

Time and Effort Reporting Exceptions

1. Any staff member who completes a time sheet in order to generate pay, including hourly clerical staff and student workers, does not need to complete the Time and Effort Report Form. However, these employees should make a copy of each signed time sheet and submit that to the Grant Manager for time and effort report documentation.

2. Faculty, both full-time and adjunct faculty, who receive an activity-specific time-limited extracontractual stipend based on hours worked outputs/outcomes achieved do not need to complete the Time and Effort Report Form. However, the Grant Manager will complete an Extracontractual Stipend Request Form that outlines the purpose of the stipend, the amount of the stipend, and how the project will reimburse the faculty member. If the stipend is based on the number of hours worked, the faculty member will track the hours worked on the project and submit these hours to the Grant Manager prior

to receiving payment. If the stipend is outcome based, the faculty member will received reimbursement when the project is complete.

To reimburse a faculty member for a stipend, the Grant Manager must submit the request to their Vice President, who will generate the request to Payroll. The process for submitting this request varies depending on the division (Academic Affairs or Student Affairs). Please consult your division Vice President for guidance.

Special Considerations

- If the staff person is a faculty member receiving release time to work on a grant-funded project, he must still document that he is working the number of hours for which he is released. The simplest method of doing this is to complete the timesheet included in the forms section of this handbook. PLEASE NOTE: If a faculty person is released from one third of his teaching assignment, the amount of time charged to the grant is the amount of time he is supposed to spend both in and out of the classroom to support that assignment. Generally, the release is two hours for every one in class.

- Many grant-funded employees are supported by more than one account code, e.g. Jane works half-time for Grant A and half-time for Grant B. The staff person must report the percentage of time spent on both grants. The staff person does not need to work the same number of hours on each project every day, but over a month's time, the percentage should average out to the percentage charged to the grant.

- If a staff person is funded by multiple account codes, the staff persons will need to know the account codes that support their time and the percent of time allocated to each account code. The Grant Manager needs to be sure that each grant-funded employee and their supervisor (if not the Grant Manager) are aware of the allocation, the account code, and the responsibilities of this position. It is the Grant Manager's responsibility that this information is correct. All grant-funded staff should have a job description that clearly outlines the role and responsibilities of the grant-funded position. A contract or an Extracontractual Stipend Request Form can be used in lieu of an official job description.

- Often, grant-funded staff are employed by the grant and by another state-funded budget, such as faculty who receive release time or counselors who divide their time between a specific project and the general student body. Although a staff person may be funded by an account code that does not require time and effort reporting, the College must be able to account for all of their time. The reason for this is that many grant budgets are written with a percentage of each staff person's time allocated to the grant, such as 40 percent or 50 percent of full-time. The College must be able to demonstrate to the funding source that it is billing only for the percent of time stated in the grant application.

- In addition, the College cannot use federal funds to support more than 100 percent of a person's time, unless it is for an approved extracontractual agreement, such as a stipend

to develop a course or project. For example, an employee cannot be a full-time instructor and a part-time Grant Manager funded with federal funds.

REMEMBER: The most important aspect of time and effort reporting is to demonstrate that the College is billing the funding source for the actual number of hours worked. If grant staff determine that they are working more, or less, than the allocation approved by the funding source, the staff person and/or the Grant Manager need to talk to the Grant Administrator or the Grants Office as soon as possible. The sooner the College identifies a potential audit problem, the sooner it can remedy the problem and prevent the potential for reimbursing funds to the funding source.

Budget Changes

Grant Managers may expend funds only in the budget categories/line items identified in the approved budget and set up in the College's financial management system. The approved budget, whether negotiated with the funding source or accepted as written in the proposal, constitutes part of the college's legal contract with the funding source. In addition, this is the budget approved and accepted by the Santa Monica College BOT.

However, for the most part, budgetary changes are allowable. The Grant Manager should not assume that changes to the budget are allowable, and as such, the Grant Manager should review the grant agreement and terms of award prior to making any changes. The Grant Manager should also seek authorization from the Grant Administrator and Grant Accountant prior to redirecting any funding. The Grant Manager may also need to request approval from your Program Officer and/or SMC's BOT at one of their monthly meetings. The Grants Office can help facilitate this process.

Minor Changes to the Budget

Federal and state guidelines are usually flexible enough to allow minor changes to the budget—less than 10 percent of the total budget and/or a single line item—without prior approval from the funding source. In addition, the Department of Education's Expanded Authorities Act allows grantees to move money within the budget as necessary without prior approval to accomplish the goals and objectives of the project. There are limitations to this Act, particularly with regard to the purchase of equipment, moving funding from salaries to contractual, and using training stipends for any purpose other than training stipends. If the Grant Manager wants to make budgetary changes that will involve any of these changes, the Grant Manager should consult with the Grants Office and/or the Program Officer prior to spending any money. Details pertaining to the Expanded Authorities may be found at: https://www2.ed.gov/about/offices/list/oela/expandau.html.

Please consult your assigned Program Officer about updates to these authorities and to confirm your ability to exercise these changes though the period of performance. Please include your assigned Grant Accountant on any changes where you may exercise these expanded authorities and copy the Grants Office.

If the Grant Manager wants to make minor changes to the budget that are allowed by the funding source, you will still need to ensure that the Board approved budget has sufficient funds in the new line items to accommodate the change. If there are insufficient funds in the proposed line item, the Grant Manager will need to inform the Grant Accountant and complete a Budget Transfer Request form that identifies the account from where the funds will be taken and the account to which the funds will be moved. All changes are approved by the BOT through the Consent Agenda.

Major Changes to the Budget

If a larger change to the budget is anticipated or desired, the Grant Manager should discuss these changes with the Grants Office and the Grant Accountant. In cooperation with the Grants Office, the Grant Manager will need to contact the Program Officer at the funding source to determine if such a change is possible and the procedure for making the change.

Once the process is identified, the Grant Manager must use the appropriate forms or format as outlined by the funding source to request a change to the budget. This request must be approved by the Grant Administrator and Area Vice President and then sent to the granting agency. No budget changes may be made until official written approval is received from the funding source. This may take several weeks, so it is important to make changes as early as possible. The Grant Manager will need to send copies of the letter authorizing the change to the Grant Accountant and the Grants Office.

Equipment Inventory and Disposition

Equipment Definition

The federal definition of equipment is any tangible, nonexpendable, personal property having a useful life of more than one year and an acquisition cost of $5,000 or more per unit. (2 CFR Part 200.313 and 200.439). By this definition, most new computer hardware is not equipment; however, some federal offices are beginning to determine the value of equipment, not individually, but rather collectively. For example, if the project will fund a 28 station computer lab, while each individual computer does not meet the federal threshold for equipment, the lab consisting of all 28 computers does, and therefore must be treated as equipment.

The state definition of equipment, otherwise known as fixed assets at Santa Monica College, is more restrictive in that equipment is any tangible, nonexpendable, personal property having a useful life of more than one year and an acquisition cost of $250 or more per unit. Given this definition, computer hardware is equipment and must be considered as such for all state and local inventory control processes. All fixed assets shall be entered into the Fixed Assets Inventory Module for tracking and financial reporting purposes.

In addition to fixed assets, Santa Monica College tracks capitalized assets. Capitalized Assets are defined as tangible, non-consumable items valued at or above $5,000. They are acquired (purchased, constructed, or donated) for use in operations. Capitalized assets may not be used for investment or sale.

Equipment Inventory

All fixed and capitalized assets ($250 and above) that arrive on campus should be delivered to the Warehouse/Receiving Department with the appropriate identification documentation. The Warehouse/Receiving Department will utilize this information to process and tag the asset. In addition, the item will be scanned and information that is specific to the asset and its current location will be added to the database. This will allow the District to track assets that are deemed to be 'in-use.'

While the College maintains an inventory control system and tracks all equipment purchased or given to the College, the Grant Manager should also maintain an equipment inventory until disposition of that equipment occurs. This inventory record will include:

- Description of the item;
- A serial number or other identification number;
- Funding source of the item (name of funding title/grant);
- Name of holder of title;
- Acquisition date;
- Acquisition cost;
- Percentage of federal participation in the cost of the item;
- Location of the item;
- Use and condition of the item, and;
- Any ultimate disposition data including date of disposal and the sale price of the item.

A physical inventory and reconciliation with records should occur at least every two years.

Disposition of Equipment
Unless otherwise required by the terms of the grant, the College may dispose of grant-purchased equipment with no obligation to the federal government, if ALL of the following criteria are met:

- Equipment is no longer needed in the current program.
- Equipment is not needed in other programs currently or previously funded by a federal agency.
- Equipment item has a current per-unit fair market value of less than $5,000.

If SMC disposes of equipment with a fair market value of less than $5,000, the proceeds must be used to support the program for which the equipment was purchased. If the fair market value is more than $5,000, the Grant Manager must contact the funding source for disposition instructions.

While it is generally unnecessary to dispose of supplies in a formal manner, if there is a residual inventory of unused supplies exceeding $5,000 in total aggregate value upon termination or completion of the project or program and the supplies are not needed for any other federal award, the College must compensate the federal government for its share.

Please refer to the grant guidance/grant award specific to the purchase of the item or equipment to be disposed of for information.

Please contact the Procurement, Contracts, and Logistics Office for details and assistance and copy the Grants Office on all disposition matters.

Equipment Records Retention
Records for equipment acquired with grant funds must be retained for three years from the date the college submits the final expenditure report for the funding period. If there is an audit exception, SMC must keep the records for three years from the resolution of that audit.

CLOSING THOUGHTS

How to Avoid Unnecessary Stress, Hardship, and Audit Findings

The following list of suggestions is based on "real experiences." It is included in this handbook for two reasons: 1) to prevent similar mishaps and 2) to provide guidelines for successful grant management. Questions regarding items on the list should be directed to the Grants Office.

1) *Carefully read all correspondence from the funding source*; pay attention to due dates and prioritize grant tasks.
2) *Don't lobby, don't politic, don't entertain, and don't support religious activities*: Each of these activities is strictly prohibited by nearly all funding sources. This includes using staff time for any of these items. Support letters for legislation cannot come from project staff. Cookies for receptions not related to project activities are not allowable. You must use private donations and/or College operational funds.
3) *Cultivate a "sixth sense" about improprieties*: If any planned action causes hesitation or even a second thought, check. In this case, consultation and/or permission is the best route. Forgiveness can be extremely expensive – personally, professionally, and financially.
4) *Ask questions*: As a new Grant Manager and/or a newcomer to the College, the sheer volume of information can be daunting. The grant project is important and its running smoothly is important. This handbook provides a beginning. The people and places that form the grant network are there to help.
5) *Give credit to the funding agency*: Many funding sources want grantees to acknowledge their contribution on all public correspondence, particularly printed matter, such as news releases, brochures, or major products. As such, a credit line should appear on these items listing the funding source by its full name. If verbal presentations are given to community groups, the donor should receive credit there as well. Some donors, particularly private donors will not want to be publicly credited. As such it is important to read the terms of award.
6) *Provide lead time*: The grant project is one of many activities impacting the College's services. People work best when the impossible request is a rarity. Grants frequently deviate from routine College activities and/or timelines, therefore, it is essential that the Grant Manager provides sufficient lead time to accommodate these requests. This is particularly true for activities that involve SMC's Procurement, Contracts, and Logistics Department and Human Resource offices. Planning ahead and adhering to timelines will help prevent challenging situations.
7) *Keep up with the budget*: The College received the grant award at the end of a competitive process involving other colleges with equally pressing needs. The grant is an investment by a public or private entity in the overall mission and vision of the College. The College will be held accountable for its stewardship in using those funds. Managing the budget can be time consuming, and internal resources at the College do not make it easy. As such, it may take longer than you expect to review the budget each month, but it is important to do that, so that you can catch mistakes before they become difficult to fix.
8) *Plan carefully for grant-related meetings:* If you are new to the College, utilize other members of the Grant Team, including the Grant Administrator, to negotiate difficult conversations and facilitate initial meetings. Make a written agenda available to participants prior to the meeting. Use effective group management techniques to keep the meeting on

track and to use your time well. Follow up with meeting summaries and action on necessary items.

9) ***Integrate the grant project into the college community:*** In the grant application, the College made a strong connection between the grant project and the mission, vision, needs, and goals of the college. It was pursued and awarded with the understanding that it will provide essential assistance to students, faculty, programs, and the institution. As such, the Grant Manager should work closely with the Grant Administrator to ensure that the project becomes part of the college community. Avoiding isolation builds support for project goals and interest in grant outcomes. It can also help leverage other institutional resources. An advisory committee comprised of representatives from diverse areas of the college community can help foster integration and should be considered.

10) ***Address problems before they become a crisis:*** Any large project has the potential for going awry. Contact your Grant Administrator and the Grants Office when things begin to falter to identify early solutions. If a mistake has been made, seek guidance immediately.

11) ***Keep the Grant Accountant informed:*** Copy the Grant Accountant on all correspondence involving fiscal or budget issues. The Grant Accountant is a key member of the Grant Team.

12) ***Do not purchase from or award contracts to relatives and friends:*** There is significant leeway in grant implementation processes so that Grant Managers have the flexibility to manage their projects and achieve their goals. However, this leeway also gives the Grant Manager significant room to make decisions free from scrutiny and input. It is important that the Grant Manager sign any relevant "Disclosure of Substantial Interest" forms and identifies any potential conflicts of interests. This may include any community or workforce relationships, including sitting on external boards of organizations that may be eligible to engage in grant activities via subcontracts, consultant agreements, and purchase orders.

13) ***Be ethical.***

Again, congratulations on your new assignment!

Grants are a great opportunity to carry out activities that the College would otherwise not be able to do. While there are often many project requirements and tasks associated with grant implementation that can be tedious and stressful, grants also offer many opportunities for creativity and flexibility.

This handbook will answer many of the questions that you may have, but it is not all-inclusive. If at any time, you have questions or encounter a situation not covered in this handbook, please remember to contact the Grants Office or any of the other offices mentioned throughout this handbook as these questions arise.

We look forward to working with you on this project!

APPENDIX – SAMPLE DOCUMENTS

- o [SAMPLE - Board of Trustees Schedule of Meetings – Agenda Item Due Dates](#)
- o [SAMPLE - Board of Trustees Agenda Item Template](#)
- o [Grant Reporting Submission Process](#)
- o [Chart of Account Expense Codes](#)
- o [Personnel & Budget Augmentation Request (PBAR) Instructions and Form](#)
- o [Time and Effort Report](#)
- o [Conference or Meeting Authorization Request Form](#)
- o [Conference or Meeting Reimbursement Claim Form](#)
- o [Contract Provisions Checklist](#)
- o [Mileage Report Claim Form](#)
- o [SMC Organizational Charts](#)

GLOSSARY OF TERMS

Allocation - the process of assigning a cost, or a group of costs, to one or more cost objective(s), in reasonable proportion to the benefit provided or other equitable relationship. The process may entail assigning a cost(s) directly to a final cost objective or through one or more intermediate cost objectives.

Authorized Organizational Representative (AOR) - The authorized organization representative (AOR) is the designated representative of the applicant or grant recipient organization with authority to act on the organization's behalf in matters related to the award and its administration.

Audit - "systematic, independent and documented process for obtaining audit evidence [records, statements of fact or other information which are relevant and verifiable] and evaluating it objectively to determine the extent to which the audit criteria [a set of policies, procedures or requirements] are fulfilled.

Audit finding - deficiencies which the auditor is required by § 200.516(a) to report in the schedule of findings and questioned costs.

Budget - the financial plan for the Federal award that the Federal awarding agency or pass-through entity approves during the Federal award process or in subsequent amendments to the Federal award. It may include the Federal and non-Federal share or only the Federal share, as determined by the Federal awarding agency or pass-through entity.

Budget period - the time interval from the start date of a funded portion of an award to the end date of that funded portion during which recipients are authorized to expend the funds awarded, including any funds carried forward or other revisions pursuant to § 200.308.

Capital assets - Tangible or intangible assets used in operations having a useful life of more than one year which are capitalized in accordance with Generally Accepted Accounting Principles (GAAP).

Capital expenditures - expenditures to acquire capital assets or expenditures to make additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations to capital assets that materially increase their value or useful life.

Code of Federal Regulations (CFR) - is the codification of the general and permanent regulations published in the Federal Register by the executive departments and agencies of the federal government

Closeout - the process by which the Federal awarding agency or pass-through entity determines that all applicable administrative actions and all required work of the Federal award have been completed and takes actions as described in § 200.344.

Cognizant agency for audit - the Federal agency designated to carry out the responsibilities described in § 200.513(a). The cognizant agency for audit is not necessarily the same as the cognizant agency for indirect costs. A list of cognizant agencies for audit can be found on the Federal Audit Clearinghouse (FAC) website.

Contract - the purpose of Federal financial assistance, a legal instrument by which a recipient or subrecipient purchases property or services needed to carry out the project or program under a Federal award.

Corrective Action - action taken by the auditee that: (1) Corrects identified deficiencies; (2) Produces recommended improvements; or (3) Demonstrates that audit findings are either invalid or do not warrant auditee action.

Disallowed Costs - those charges to a Federal award that the Federal awarding agency or pass-through entity determines to be unallowable, in accordance with the applicable Federal statutes, regulations, or the terms and conditions of the Federal award.

Discretionary Award - an award in which the Federal awarding agency, in keeping with specific statutory authority that enables the agency to exercise judgment ("discretion"), selects the recipient and/or the amount of Federal funding awarded through a competitive process or based on merit of proposals. A discretionary award may be selected on a non-competitive basis, as appropriate.

Education Department General Administrative Regulations (EDGAR) - are the federal regulations that govern all federal grants awarded by the U.S. Department of Education on or after December 26, 2014 to local districts (LEAs) and charters including State-administered programs.

Equipment - tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or $5,000.

Expenditures - charges made by a non-Federal entity to a project or program for which a Federal award was received.

Federal Award Identification Number (FAIN) - is the unique ID within the Federal agency for each financial assistance award.

Federal Acquisition Regulation (FAR) - is the principal set of rules regarding Government procurement in the United States,

Federal Award Date - the date when the Federal award is signed by the authorized official of the Federal awarding agency.

Federal Program - : (1) All Federal awards which are assigned a single Assistance Listings Number; (2) When no Assistance Listings Number is assigned, all Federal awards from the same agency made for the same purpose must be combined and considered one program.

Federal Share - the portion of the Federal award costs that are paid using Federal funds.

Fixed Amount Awards - a type of grant or cooperative agreement under which the Federal awarding agency or pass-through entity provides a specific level of support without regard to actual costs incurred under the Federal award.

FOIA - Freedom of Information Act

Federal Register (FR) - is the official journal of the federal government of the United States that contains government agency rules, proposed rules, and public notices.

Generally Accepted Accounting Principles (GAAP) - specified in accounting standards issued by the Governmental Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB).

Grant Agreement - a legal instrument of financial assistance between a Federal awarding agency or pass-through entity and a non-Federal entity.

Improper Payment - any payment that should not have been made or that was made in an incorrect amount under statutory, contractual, administrative, or other *legally applicable* requirements.

Indirect (facilities & administrative (F&A)) Costs - those costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted.

Intangible Property - property having no physical existence, such as trademarks, copyrights, patents and patent applications and property, such as loans, notes and other debt instruments, lease agreements, stock and other instruments of property ownership (whether the property is tangible or intangible).

Internal Controls for non-Federal entities means: (1) Processes designed and implemented by non-Federal entities to provide reasonable assurance regarding the achievement of objectives in the following categories: (i) Effectiveness and efficiency of operations; (ii) Reliability of reporting for internal and external use; and (iii) Compliance with applicable laws and regulations.

Matching Funds - A cost-sharing contribution to the project via confirmed cash or funding commitments from eligible sources without a real or apparent Conflict of Interest, that are used for eligible project purposes during the grant funding period.

Notice of Funding Opportunity (NOFO) - a formal announcement of the availability of Federal funding through a financial assistance program from a Federal awarding agency.

OMB – (Office of Management and Budget) - oversees the implementation of the President's vision across the Executive Branch through five main functions across executive departments and agencies: Budget development; Management; Federal regulations; Legislative proposal and Presidential actions; and, Presidential Executive Orders.

Participant Support Costs - 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, or training projects.

PassThrough Entity (PTE) - a non-Federal entity that provides a subaward to a subrecipient to carry out part of a Federal program.

Period of Performance - the total estimated time interval between the start of an initial Federal award and the planned end date, which may include one or more funded portions, or budget periods. Identification of the period of performance in the Federal award per § 200.211(b)(5) does not commit the awarding agency to fund the award beyond the currently approved budget period.

Project Cost - total allowable costs incurred under a Federal award and all required cost sharing and voluntary committed cost sharing, including third-party contributions.

Recipient - an entity, usually but not limited to non-Federal entities that receives a Federal award directly from a Federal awarding agency. The term recipient does not include subrecipients or individuals that are beneficiaries of the award.

Request for Applications (RFA) - A request for application (RFA) is a type of solicitation notice in which an organization announces that grant funding is available.

System for Award Management (*SAM.Gov*) - is an official website of the U.S. Government. Entities must register to do business with the U.S. federal government and for the ability to apply for federal grants or loans or bid on government contracts.

Subaward - an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

Supplanting - occurs when a state or unit of local government reduces state or local funds for an activity, specifically because federal funds are available (or expected to be available) to fund that same activity.

Supplementing - occurs when federal funds are used to enhance existing state or local funds for program activities.

Supplies - all tangible personal property other than those described in the definition of *equipment* in this section. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the non-Federal entity for financial statement purposes or $5,000, regardless of the length of its useful life. See also the definitions of *computing devices* and *equipment* in this section.

Termination - the ending of a Federal award, in whole or in part at any time prior to the planned end of period of performance. A lack of available funds is not a termination.

Third-Party In-Kind Contributions - the value of non-cash contributions (*i.e.,* property or services) (1) Benefit a federally-assisted project or program; and (2) Are contributed by non-Federal third parties, without charge, to a non-Federal entity under a Federal award.

Unique Entity ID (UEI) - **i**s a 12-character alphanumeric ID assigned to an entity by SAM.gov.

Unobligated Balance - Unspent funds or budget remaining at the end of the budget or project period