

Policies and Procedures

Date: September 15, 2016

Subject: Administration of Public Grants and Sponsored Programs

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1. Purpose

The purpose of this policy is to establish an official mechanism for the administrative management of public grants from application through closeout. As diversification of Tidewater Community College's (TCC) funding base is a college-wide priority, faculty, staff, and administrators are encouraged to seek external funding opportunities that support institutional goals as outlined in TCC's mission and strategic plan.

2. Policy

2.1 Authority

Tidewater Community College shall create and submit grant proposals in accordance with the [VCCS Policy Manual Section 11 – Federal Grants and Programs](#). All proposals must comply with VCCS, state, and federal policy, as applicable, and must undergo a rigorous approval process prior to submission. Public grant agreements are usually made between the external funding agency and the college. Accordingly, individual faculty or staff are not authorized to apply for or accept grants on behalf of TCC. All requests for external public funding must be processed through the Office of Grants & Sponsored Programs (OG&SP).

2.2 Pre-Award Administration

To ensure that all grant applications are developed with the approval of college administration, are strategically designed to meet recognized college goals and community needs, and do not create a conflict with other fund development activities, the following regulations have been established:

- 2.2.1 Public grant applications will be coordinated by the Office of Grants and Sponsored Programs.
- 2.2.2 Prior to substantial development of proposals, lead faculty and staff must obtain pre-approval for concepts from their supervising executive sponsor.
- 2.2.3 Upon receipt of a pre-approved concept, the Office of Grants Sponsored Programs will assist college personnel with the preparation and completion of grant applications to ensure compliance with sponsor requirements, institutional procedures, and review timelines.

2.3 Proposal Routing/Approval/Submission

Prior to submission of grant applications to external funders, all proposals developed

for public grants (including renewals) must be routed for review and approvals using the OG&SP electronic routing system. A rigorous approval process allows key stakeholders to verify that the college is not creating adverse risks by agreeing to perform tasks as specified in the proposal. Cost reimbursable awards where TCC must expend college funds for program costs, and request subsequent reimbursement at a later date constitute the majority of grants to TCC. Therefore, distribution lists for proposal routing must be by guided by the source of funding and post-award compliance requirements.

- 2.3.1 Grant applications (direct, pass-through, cooperative agreements, sub-awards, contracts) usually include a proposal narrative and budget documents, which together, establish the purpose and amount of the sponsor's obligation to the college. The application also establishes a contingent commitment by the college to perform and expend funds in accordance with the approved grant agreement, applicable laws, regulations, rules, and guidelines upon award (2 CFR 200.300(b)). Grant proposals must be routed and approved by the proposer, executive sponsor, OG&SP, Vice President for Institutional Advancement (VPIA), co-proposing departments, grant accountant(s), grant financial manager, AVP for Financial Services–Designated Funds, budget manager (if match is proposed), Vice President for Finance, and the President (or designee, if required).
- 2.3.2 VCCS grant applications for funds that are transferred directly to the college and not subject to federal regulations (Paul Lee, Chancellor's Innovation Fund, and Faculty Fellowships) must be routed and approved by the proposer, supervisor, executive sponsor, OG&SP, VPIA, budget manager, and the President (or designee, as required). Typical proposal budgets range from \$500 to \$75,000.

The person signing/certifying the application on behalf of TCC must be an authorized official of the college (usually the President, VP for Finance, or their designee) who will represent the college in the event of a legal dispute. Once a proposal has been fully approved in the electronic routing system, OG&SP shall submit the proposal to the external funding agency on behalf of the college. A DUNS number is required to register TCC as an organizational applicant. The TCC DUNS number for public grants is 074761354.

2.4 Post Award Administration and Compliance

Notifications of all public grants and federal contract awards shall be sent to OG&SP for acceptance and processing. Per [VCCS policy 11.1: Administration of Grants](#), the college shall be responsible for fulfilling all of the requirements of regulations associated with the grant award, including initiation of the project, adherence to the proposal, progress report, completion of the project and final reporting. All sponsor, federal, VCCS, state, and TCC regulations and requirements must be met in the execution of the project.

Acceptance of an award creates a legal responsibility on the part of the college to use funds made available under the award in accordance with the terms and conditions of the grant. For compliance with federal regulations, fiscal control and fund accounting procedures that ensure proper disbursement of, and accounting for federal funds must be used ([2 CFR 200.302](#)). Annual and final fiscal reports or vouchers requesting payment under federal grant agreements must be certified and signed by an official who is authorized to legally bind the college ([2 CFR 200.415](#)).

2.5 Time and Effort Certification

For federal grants, TCC must maintain personnel records that “accurately reflect the work performed” (2 CFR 200.430, part i). These records must:

- 2.5.1 Be supported by an internal control system which provides reasonable assurance that time charged is accurate, allowable, and properly allocated
- 2.5.2 Be incorporated in the official records, such as payroll records
- 2.5.3 Reasonably reflect the employee’s total activity
- 2.5.4 Provide a time or percentage breakdown on all activities, both federally funded and non-federally funded, for the employee
- 2.5.5 Comply with TCC’s pre-established accounting practices and procedures

2.6 Direct Costs

Direct costs can be identified specifically with a particular sponsored program or project, or instructional activity, or any other institutional activity that can be directly assigned to such activities with relative ease and a high degree of accuracy. Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect costs.

2.7 Indirect Costs

TCC must have a current indirect cost rate, approved by its federal cognizant agency, in order to charge indirect costs to a federal grant. Indirect costs are classified as administrative costs, budgeted in the grant application, and charged to the grant based on actual expenditures of direct costs. Indirect costs are incurred for a common or joint purpose benefitting more than one cost objective, and usually support areas that benefit all activities of the college, such as, accounting, human resources, purchasing, building maintenance, information technology, etc. Salaries of administrative and clerical staff that support federal grants should be treated as indirect costs ([2 CFR 200.413 \(c\)](#)).

- 2.71. The allowable dollar amount of indirect costs for a given period is determined by multiplying the indirect cost rate against the actual direct

costs incurred (excluding distorting items as specified in the IDC agreement, such as the portion of each contract in excess of \$25,000, subawards, tuition, equipment, etc.).

- 2.7.2 If the total percentage of administrative costs that may be charged to a federal grant is capped, that cap must include all direct administrative charges, as well as, any recovered indirect charges. For example, if administrative costs are limited to 10%, then the total direct administrative costs plus indirect costs claimed for the grant must not exceed 10%.
- 2.7.3 Direct charges to a grant may be appropriate for these costs only if all of the following conditions are met:
 - 2.7.3.1 Administrative or clerical services are integral to a project activity
 - 2.7.3.2 Individuals charged specifically identify with the project or activity
 - 2.7.3.3 Such costs are explicitly included in the grant budget, or have prior written approval of the sponsor
 - 2.7.3.4 These costs are not also recovered as indirect costs.

2.8 Unallowable Costs

Unallowable costs are those costs that cannot be charged to a sponsored project due to sponsor, state and/or TCC policies, regulations and/or restrictions. Policies, regulations and restrictions vary among sponsors. The same sponsor could also have different restrictions for each award, depending on the source of the funding, the type of award (e.g. grant, cooperative agreement or contract), or the purpose of the award (e.g. research, equipment, conference training). Therefore, whether a cost is considered allowable or unallowable for a sponsored project can only be determined through a close review of the award documentation, sponsor regulations and guidelines, state and TCC policies and procedures.

Certain types of costs cannot be charged (directly or indirectly) to federally funded sponsored agreements. These costs may be allowable if paid from non-federal funding sources. [2CFR, Part 220 Cost Principles for Educational Institutions](#) specifically identifies many costs as unallowable. The following is a list of unallowable costs that are specifically prohibited by the federal government:

- Advertising for general promotion of the college
- Alcoholic beverages
- Alumni or fundraising activities
- Bad debts
- Charitable contributions, donations, and gifts
- Commencement and convocation expenses
- Contingency provisions (i.e., reserve for future unanticipated costs)
- Entertainment and social activities

- Fines and penalties
- First class or other non-coach class travel
- Goods and services for personal use
- Legal fees
- Lobbying costs
- Losses (cost overruns) of sponsored agreements
- Membership in civic or community organization, country club, or social club
- Severance costs in excess of institution's normal severance pay
- Student activity costs

2.9 Consistent Treatment of Costs

Costs incurred for the same purpose, in like circumstances, are treated uniformly either as direct costs or as indirect costs. Consistent treatment of costs is a basic cost accounting principle and specifically required by federal uniform guidance to ensure that the same types of costs are not charged to federally sponsored awards both as direct costs and again as indirect costs that may be recovered through a negotiated indirect cost rate agreement. This concept is further reinforced and emphasized in a Cost Accounting Standard (referred to as [CAS 502](#)) that colleges and universities are required to follow.

Where an institution treats a particular type of cost as a direct cost of sponsored agreements, all costs incurred for the same purpose in like circumstances shall be treated as direct costs of all activities of the institution. Direct costs to federal awards must also meet the allowability criteria established in federal uniform guidance.

2.10 Travel

All travel charges must be consistent with TCC's Travel Policy and Procedures 4305 and Commonwealth Accounting Policies and Procedures (CAPP Topic Nos. 20335 and 20336). If the sponsor's requirements are more stringent than TCC's, reimbursements will be governed by the terms and conditions of the individual grant or contract. In all cases, administrative requirements cited in these policies and procedures must be followed.

2.11 Conflict of Interest

TCC must disclose in writing any potential conflict of interest to the federal awarding agency or pass-through entity in accordance with applicable federal awarding agency policy. ([2 CFR 200.112](#))

2.12 Audit Requirements

TCC must have a single program or program-specific audit conducted for each year that \$750,000 or more in federal grant funds are expended ([2 CFR 200.501](#)).

2.13 Grant Closeout

TCC must liquidate all obligations incurred under federal awards and submit all financial, performance, and other reports not later than 90 calendar days after the end date of the period of performance as specified in the terms and conditions of the grant ([2 CFR 200.343](#)).

- 2.13.1 The federal awarding agency or pass-through entity may approve extensions when requested by the college.
- 2.13.2 Upon closeout, the college must promptly refund any unobligated cash balances that the federal awarding agency or pass-through entity paid in advance, or payments not authorized to be retained by the college for use in other projects.
- 2.13.3 Final reports must be filed by the required due dates set by the respective federal grantor agencies to avoid jeopardizing future grants or delaying the receipt of final reimbursement of federal funds.
- 2.13.4 Financial records, supporting documents, statistical records, and all other TCC records pertinent to a federal award must be retained for a period of three years from the date of submission of the final expenditure report ([2 CFR 200.333](#)).

3. Responsibilities

The Vice President for Institutional Advancement shall develop and promulgate procedures to implement the policy delineated above. All faculty and staff involved in grant proposal development and submission bear responsibility in ensuring that the interests of the college are protected.

4. Procedures

The Vice President for Institutional Advancement shall be responsible for developing and maintaining procedures that are consistent with this policy and that comply with applicable policies and procedures of the Virginia Community College System and the Commonwealth of Virginia.

- OG&SP staff and TCC Financial Services staff are responsible for knowing and complying with all requirements, policies, and procedures for proper grants administration.
- Program managers assigned to TCC grants are responsible and held accountable for knowing the program requirements, fiscal requirements, reporting requirements, and related [policies and procedures](#).

5. Definitions

Cognizant Agency: The federal agency to which TCC submits cost allocation plans and negotiates indirect cost proposals. Cognizant agency determination is based on the federal agency that provides the largest amount of federal grant funds to the Commonwealth (currently, U.S. Department of Health and Human Services).

Compliance: Adherence to all applicable (federal, state, sponsor and college) regulations, laws, statutes and policies.

Conflict of Interest: Whenever a TCC faculty or staff member, other employee, or a family member of the TCC employee, has an existing or potential financial or other material interest that impairs, or appears to impair, the TCC employee's independence and objectivity in the discharge of his/her responsibilities to and/or for the college. A conflict of significant financial interest is also considered to occur whenever a TCC employee receives financial or other material benefit through inappropriate use of knowledge or information that is confidential to TCC.

Direct Costs: Any costs which are specifically identified with a grant or contract.

DUNS Number: A nine digit identification number assigned by Dun & Bradstreet that uniquely identifies organizational applicants based on physical location.

Executive Sponsor: Member of the Executive Staff that is responsible for championing the project concept. The sponsor removes roadblocks, coordinates resources, and secures help for the team as needed. The sponsor is usually not a "member" of the project team and may only occasionally attend meetings. The sponsor ensures that working goals of the project are aligned with college priorities.

Federal Award: An award of financial assistance, including cooperative agreements, in the form of money, or property in lieu of money, by the federal government to an eligible grantee.

Federal Cost Reimbursable Grants: Awards where the federal program agency transfers federal funds to a state after that state has already paid out the funds for Federal assistance program purposes.

Grant: Financial assistance awarded to an organization for specific purposes or activities to be carried out without extensive involvement from the sponsor.

Grantee: The direct recipient of a grant that is accountable for the use of the funds received. The grantee is the entire legal entity even if only a particular component of the entity is designated in the grant award document.

Grantor or Sponsor: The agency that awards a grant to an eligible grantee.

Indirect Costs: Costs incurred for a common or joint purpose benefitting more than one cost objective and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved.

Pass-Through Funds: Funds received by a state agency or institution for subsequent transfer to other state agencies or institutions to carry out the program purpose.

Proposal: A formal application submitted to a funding entity that outlines a proposed project and shows budgetary requirements and requests monetary assistance in the

form of a grant.

Sponsor: The entity (federal, state, local) that provides the funding with expectation that specific deliverables will be completed.

Sub-award: An award of financial assistance in the form of money, or property in lieu of money, made under a grant by a grantee to an eligible sub grantee.

6. **References**

[VCCS Policy Manual Section 11 – Federal Grants and Programs](#)

[Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#)

[TCC Travel Policy and Procedures 4305](#)

[CAPP Topic No. 20335: State Travel Regulations](#)

[CAPP Topic No. 20336: Agency Travel Processing](#)

[Grants & Sponsored Programs Procedures Manual](#)

7. **Review Periodicity and Responsibility**

The Vice President for Institutional Advancement and the Director of Grants and Sponsored Programs shall review this policy at each anniversary of its approval and, if necessary, recommend revisions.

8. **Effective Date and Approval**

This policy is effective upon its approval by the College President on September 15, 2016

Policy Approved:

Procedure Developed:

Edna V. Baehre-Kolovani, Ph.D.
President

James Toscano, DLP
Vice President for Institutional Advancement

9. **Review and Revision History**

This is the first version of this policy.