

WEST VIRGINIA UNIVERSITY AT PARKERSBURG (WVUP)



2010

Grants and Contracts

Processes and Procedures Manual

Last Revised 3-10-10

Grants and Contracts

Overview

Contracts are defined as agreements entered into between the college and another entity, generally, private industry, in return for programs or services described in the written agreement. Contracts most often generate funds for general use of the College.

Grants are defined as monies received in return for programs or services as defined in an application. Grantors, generally, are federal, state or local government agencies or private foundations. These funds are restricted to the purpose for which they are granted and may contain requirements for matching funds and/or periodic progress reports. Applications, financial and performance reports are generally in a format established by the grantor. If the grantor has indicated no restrictive purpose, the funds are considered unrestricted for use in general by the College.

Grants and contracts are time and performance specific.

A list of definitions is provided in Appendix A as well as "Frequently Asked Questions" in Appendix B. A checklist outlining the steps in the process is provided in Appendix C.

Applications and Proposals

When applying for a grant or contract the following must be considered:

- a. West Virginia University at Parkersburg grant applications should follow the specific instructions provided by the Grants Office at http://www.wvup.edu/Grant_Development/index.htm.
- b. The proposal should support the overall mission and goals of the institution, as well as its strategic plan. Information is provided by the Grants Office at http://www.wvup.edu/Grant_Development/index.htm.
- c. The proposal should conform to the Higher Education Policy Commission's policies (including travel and light refreshments), legal and financial considerations, and the West Virginia Community and Technical College System and college service capabilities.
- d. The proposal should adhere to the guidelines set by the Grantor Agency and conform to the specific instructions cited in the grant solicitation.
- e. Salary arrangements must be consistent with WVU-Parkersburg salary schedules or appropriate contract-training rates AND be approved by the President and/or Senior Vice President for Academic Affairs prior to the grants submission.
- f. Requirements for space and facilities must be met with current facilities, OR costs for additional space and utilities must be included within the funding provided. All proposed use of space and facilities or proposed additional space MUST be approved by the Senior Vice President of Academic Affairs and the college President.

- g. The budget must be within the guidelines of the grantor agency, be realistic with verification that all costs, including indirect costs, are provided, and that items included are not contrary to the policies of the Higher Education Policy Commission, the grantor, or the WVU-Parkersburg Business Office.
- h. All funds listed as matched resources must be viable and adhere to the guidelines set forth by the grant solicitation. Matching funds must be realistically stated and have been specifically approved in advance by the Senior Vice President of Academic Affairs, the Chief Financial Officer, or College President.
Federal Funds may not be used to match other federally funded activities.
- i. Support from an internal department of the college, such as the Financial Aid Office, Student Services, Computer Services, Admissions and Records, the Jackson County Center, etc., for the project, requires consultation with the department(s) prior to submitting the application or program. In addition, approval from Senior Personnel of these offices, the Senior Vice President for Academic Affairs, or the President must be obtained prior to the grant submission.
- j. Support from an organization from outside the college, such as an independent business partner, school or college, community organization etc. for the project, requires consultation with the organization(s) prior to submission the application or program. Approval must also be obtained AND documented with a signed letter of support from Senior Personnel of the organization. Approval from the Senior Vice President for Academic Affairs, or the President must also be obtained prior to the grant submission.

Financial Guidelines

The following items must be included in all grants and contract budget proposals, AND be approved by the Business Office, the Senior Vice President for Academic Affairs and the college President.

- a. *Salaries and benefits* - The budget plan must include the benefit costs corresponding to employee salaries. ALL employees, including part-time hourly, receive some measure of fringe benefits including social security, Medicare, unemployment insurance and worker's compensation.
- b. *Other Expenditure Items* - Contract services, goods & services, travel, equipment, client services (such as tuition, lab fees, childcare, transportation, etc., for students), and indirect cost recoveries must be included.

See Appendix D for additional financial guidelines.

Required Documentation

The following items must be included in all grants and contract budget proposals, AND be approved by the Business Office, the Senior Vice President for Academic Affairs and the college President.

- a. Grant application and/or contract
- b. Grant Routing Form (required)

- c. Budget Summary
- d. Indirect Costs Rate (in compliance with the grant application and WVU-Parkersburg's Negotiated Indirect Cost Rate)

Approval Process

All applications and contracts must be approved by either the College President or the Senior Vice President of Academic Affairs. **Approvals for matching funds and indirect cost waivers need to occur at the very beginning of the grant or contract application process.**

The approval process is initiated through submission of the college's **Grant Routing Form** located at http://www.wvup.edu/Grant_Development/wvup_grant_routing_form.htm.

New Grants or Contracts

As part of proposal development, Project Managers **MUST** get approval from their administrator/supervisor at an early stage in the process. The Project Manager's Division Chair and Vice President must be involved in the development a grant or contract application in order to expedite grant and contract application submission.

Required Signatures

Required signatures for all grant and contract proposals and subsequent awards, agreements, contracts are listed below with a brief description of the responsibilities of each individual.

- a. ***Program/Project Manager*** – (Individual proposing and/or in charge of the program or project.)
Signature indicates:
 - acknowledge and responsibility for the service to be provided
 - responsibility for financial management of the grant or contract
 - responsibility for program/project outcomes and results
- b. ***Division Chair and/or Department Vice President***
Signature indicates:
 - determination that this program or service supports the college's mission and/or strategic plan
 - approval that this program or service meets all instructional regulations and directives
 - acknowledgment and approval of the financial commitment of the institution
- c. ***Senior Vice President for Academic Affairs***
Signature represents:
 - acknowledge of liability, financial commitments and risks associated with the program
 - approval of financial support to be provided to program manager
 - responsibility for approving all financial transactions with the college Business Office
- d. ***President***
Signature represents:
 - legal binding commitment to provide the program or service as prescribed in the grant application or contract.

Once the application or agreement is approved, the project manager will forward the original, signed copies of the grant application to the grantor. Separate copies of the original grant should be made and forwarded to the following offices:

- Grants Office
- Office of the Senior Vice President of Academic Affairs

Receiving Awards or Contracts

Upon receipt of written notification of the award (i.e., signed contract, approved proposal, letter of intent, memo of understanding), the College Business Office will submit an email request to the West Virginia University Budget Office for a budget identification and allocation number, called a **DA number**.

NOTE: West Virginia University will assign all **DA numbers** as part of its agreement (resulting from H. B. 3215) to support the administrative and academic support services of West Virginia University at Parkersburg. This includes but is not limited to, the following functional areas: human resources, finance, facilities and services, budget and treasury services, technology, student services, academic support, institutional relations and social justice; and Parkersburg agrees to pay a reasonable, customary, market-value fee for such services.

The assigned **DA number** should be referenced on all employee time sheets, purchase order requests, grant reports, and audits to denote the allocation of all expenditures related to the specific grant or contract. **No time sheets, purchase order requests, grant reports or audits will be completed or processed unless the DA number is referenced.**

If a grant or contract is to pay for tuition, fees, parking, or any other charges on behalf of students, a Financial Aid Program Code must be established. The form to establish Financial Aid Program Codes (FAPE) and/or Fee Codes (Fe) used to track direct-student expenditures should be submitted at the same time as the edit card, if needed. The District Budget office will forward the FAPE/Fe requests to the District Accounting office for processing after the budget number is activated in the system.

Amendments and Cancellations

All necessary amendments and/or cancellations of grant agreements **MUST** be reviewed and approved by the Senior Vice President of Academic Affairs and, when appropriate, the college President. In addition, all grant amendments and cancellations must:

- a. Adhere to the conditions within the agreements.
- b. Be reviewed and approved by the College Business Office if the change alters the fiscal structure (dollar amount, end date, indirect rate, billing process, or reimbursement rate) of the grant
- c. Submitted to the grantor agency by the Project Manager with cc: to the College Business Office and Senior Vice President of Academic Affairs.
- d. Receive pre-approvals from the granting agency prior to implementing any amendments or changes to the grant.
- e. Be communicated to the Chief Financial Officer.

Closing the Grant or Contract

The authority to expend the funds for a grant or contract expires upon completion of the grant or contract, or at the end of the funding period. In addition, all grant and contract closings must include:

- a. Performance and completion review by the Division Chair, Senior Vice President of Academic Affairs and, when appropriate, the college President within **90 days** of the project end date to determine overall success and outcomes of the project.
- b. Review of the financial status of the grant or contract (within **90 days** of the end date of the grant or contract) to determine if any closing adjustments need to be made. It is the responsibility of the project manager in conjunction with the College Business Office to coordinate this review.
- c. A complete and thorough review of the project budget if the grant or contract ends in a deficit. Review must be conducted by the Program Manager, the Division Chair, Senior Vice President of Academic Affairs, the College Business Office and, when appropriate, the college President to determine the contributing factors. Decisions on what actions will be taken to correct deficits will be made on a case-by-case basis.
- d. If the grant or contract ends in a surplus the surplus will be transferred into the grant/contract reserve account when allowed by the grantor. Before surplus funds may be used/spent, the College Business Office must verify the availability of these funds. A department may request to expend any portion of a particular grant or contract surplus by completing a Surplus Usage Request Form (Appendix H).

A Division, Program or Project may request to expend any portion of a particular grant or contract surplus by completing a Surplus Usage Request Form. Approval of the form is required by the Senior Vice President of Academic Affairs and the College President.

- e. The College Business Office will notify West Virginia University via email that the grant or contract can be officially closed and the **DA number** inactivated.
- f. The College Business Office will verify that all accounts receivable, accounts payable, encumbrances, and cash general ledgers are zero before the account may be closed. If not, Budget Office will work to clear the accounting entries. The College Business Office will be notified when the process is completed and budget is inactivated by West Virginia University.
- g. The Project Manager is responsible for submitting any performance reports to the grantor. Copies of the report must also be forwarded to the Division Chair or Supervisor, Senior Vice President of Academic Affairs, the College Business Office, and, when appropriate, the College President.

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Appendices

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Appendix A

Definitions

CFDA#:

The Catalog of Federal Domestic Assistance is a government-wide compendium of Federal programs, projects, services, and activities, which provide assistance or benefits to the American public. It contains financial and non-financial assistance programs administered by departments and establishments of the Federal government. CFDA#'s (i.e., 84-263) are 5 digit numbers that are associated with certain Federal programs and outline objectives and use of funds considerations. For all grants with a Federal funding component, the CFDA# must be noted on the grant transmittal form, including those which are "passed through" a non-federal entity. See <http://www.cfda.gov/> for more information.

Deficit:

Grants or contracts in which expenditures exceed revenue result in a deficit. This may result if program expenditures are under estimated or reimbursements are disallowed.

Direct Costs:

Costs that can be directly identified with the project and will be charged to the designated budget number. FAPC (Financial Aid Program Code): A three-digit code normally used to facilitate the charging of student charges (tuition, fees, etc.) to a specific budget number. Requests for FAPC's are to be submitted to the College Business Office during the initial stages of setting up the budget.

FTE:

Full time equivalent. Statistic used by colleges to measure Size of student and employee population using a full-time student's load (15 credits) or full time employee workload as the divisor.

Hosting:

"Hosting" includes, but is not limited to, those activities that are intended either to lobby a legislator or a governmental official, or are to be a social rather than governmental business event, and include expenditures for coffee and/or light refreshments for those whom agencies are not legally authorized to reimburse. Expenditures for "Hosting" are prohibited by the State of West Virginia.

Indemnification Clause:

A clause included in grants and contracts to provide the institution with protection, especially financial protection, against possible loss, damage, or liability.

Indirect costs:

Costs that have been incurred by the college and/or District and cannot be identified specifically with a particular project. These costs normally are within functional areas such as general and departmental administration, staff support, operations and maintenance, library and facility expenses, services provided by payroll, purchasing, accounting, business office, cashiers, and human resources, etc. (See Appendix E for more information on indirect costs.)

Invoices/Billings:

Depending on the type of grant or contract, invoices or billings are prepared at the time of the agreed upon billing date(s) by the College Business Office. Some grant expenditure categories differ from Oracle expenditure categories. The billings

must be adjusted to reflect the categories defined by the granting agency, but must be in agreement with total Oracle expenditures for the project. Upon establishment of a new budget account, the responsibility for billings will be identified on the Budget Request form (edit card).

Legal Approving Authority:

The individual(s) who have the authority to bind an institution to the terms and/or conditions of an agreement or contract.

Letter of Understanding:

A letter of understanding is typically an agreement between two parties that is deemed to be less formal than a contract. The Attorney General's office has recommended that a letter of understanding NOT be used to embody specific agreements between parties with various duties and responsibilities designated to each. Instead, a contract should be written which contains the scope of responsibilities, liabilities, fees, rights and duties of each respective party.

Match or Matching Contributions:

When the college and/or another agency is required to provide in-kind or cash contributions to support contract or contract in a specified amount, usually but not always dollar for dollar. In-kind contributions constitute a use of previously committed college resources, such as existing personnel, supplies, facilities, etc. Cash contributions require the application of previously uncommitted resources or the re-direction of existing resources to share in the support of a project. Matching contributions must be outlined on the budget plan that is submitted for a project. Reports are required at minimum annually and maybe required more frequently, and must be submitted to the College Business Office.

Performance Reports:

Information provided the grantor or contractor in the form of a narrative and/or a statistical description of the project. For example, number of students served, description of services provided, number of staff hours dedicated, etc. These progress reports are the responsibility of the program manager. Reports may be required by the grantor before reimbursement can be received.

Program Manager:

The program or project manager is an individual who has the administrative authority and responsibility for the project, budget, expenditures, and progress/performance reports. It is this person's responsibility to ensure that the project progresses appropriately, that all reports are submitted in accordance with the grantor's requirements, that expenditures are applicable to and in compliance with the conditions of the grant or contract, and that these expenditures do not exceed spending authority.

Sub-Recipient Monitoring:

Sub-recipient monitoring is the process undertaken by a pass-through entity to ensure that sub recipients are complying with applicable laws, regulations, contract, or grant agreement provisions, and that performance goals are being achieved. As part of ensuring legal requirements are met, it also includes processes and procedures to verify that applicable audit requirements are satisfied and audit findings are reviewed for timely corrective action.

Supplanting:

Funds provided under a grant may not result in a decrease in state or local funding that would have been available to conduct the activity had the grant/contract funds not been received. The funds may not free up state or local dollars for other purposes, but should create or augment program.

Example:

The Technology Division receives a grant for new program or project. If the Program Manager is currently working at 100%, the Program/Project Manager cannot charge part of their salary to the grant although it will mean additional work for them, because they are already at 100%. (They cannot go to 120%). However, if the Program/Project Manager were originally at 80% and this grant added 20% to the work load, the additional 20% could be charged to the grant. This split assignment requires "Time and Effort" reporting (80% original budget, 20% grant).

Surplus:

Grants or contracts in which revenue exceeds expenditures result in a surplus. *Typically, surpluses should only be generated in agreements with private entities.* As appropriate (following the conditions 'of the agreement), these surplus

funds will be consolidated into the grant and contract reserve account. Requests for specific usage of these funds can be made at the time of the grant application or grant completion via the Surplus Usage Request form (Appendix H). Governmental grants shall not have surpluses, but are reimbursed for actual expenditures.

Time & Effort Reporting:

Verification of time and effort must be obtained from individuals performing services for certain grants and contracts. Typically this verification is required when Federal funds are involved. The Business Office will distribute/provide the reporting forms to the program departments. It is the responsibility of the college department to complete, verify, and return the forms with accurate or corrected information to the Business Office. These must be available for audit review. Reporting is required twice per month.

Appendix B

FAQs: Frequently Asked Questions

GENERAL

1. *How do I know if a grant or contract fits into the overall mission/vision of the institution?*

Each grant proposal or contract entered into should support and promote the strategic plan for the college. Please refer to the institution's strategic plan for a complete understanding of the mission/vision and goals of the college. As grant proposals are being developed you should be in contact with your manager to discuss how the proposal supports the institution.

2. *What is the protocol for submitting grant proposals?*

As grant proposals are being developed, program managers should work with the Academic Affairs Office to ensure that appropriate financial information is used. Also, each grant proposal or contract entered into is to go through a 4-step approval process as follows:

- | | |
|--------|---|
| Step 1 | Program Manager - This is the individual who is in charge of the program or project. This signature represents knowledge and responsibility for the service to be provided. The program manager is responsible for the programmatic and financial performance of the particular grant or contract. |
| Step 2 | Division Chair or Supervisor - This signature represents a determination that the program or service supports the college's mission/vision and goals. The signature also ensures that the program or service is in compliance with all instructional policies and procedures. |
| Step 3 | Senior Vice President for Academic Affairs - This signature represents knowledge of liability and financial commitment associated with the program or service. The signature also represents a responsibility for invoicing and coordinating all financial transactions with the district office and/or the granting or contracting agency. |
| Step 4 | President - This signature represents a legally binding commitment to provide the program or service. |

3. *What involvement does the business office have in managing grants and contracts?*

The business office has the primary responsibility for reviewing budgets, invoicing the granting or contracting agency and for coordinating all financial transactions. The business office supports the program manager by providing timely and accurate financial information and support. While the financial performance of the grant or contract is the responsibility of the program manager, the business

office AND the grants specialist assumes a partnering approach to ensure positive financial performance. The business office will conduct summary level reviews of all grants or contracts during their contract period and will notify the program manager if something appears incorrect or unusual. The business office prepares a quarterly financial report that summarizes the financial performance of all grants and contracts.

4. *Why should the college be concerned with grants or contracts?*

The college engages in a variety of grants and contracts to support and promote the goals of the institution. The college may have a specific annual goal of increasing revenue through contract training or may have a new programmatic focus that contracting provides. However, grants and contracts can be complex and may require the commitment of other resources to provide the program or service.

FINANCIAL

1. *Why do I have to charge indirect costs?*

Indirect costs are actual costs that are incurred by the college to administer a grant or contract. A percentage charge is used because specific dollar amounts cannot be readily identified as associated with a grant or contract. These charges cover costs incurred within functional areas such as general and departmental administration, staff support, operations and maintenance, library and facility expenses, services provided by payroll, purchasing, accounting, business office, cashiers, human resources, etc. (Appendix E)

2. *What happens if my grant or contract ends in a deficit position?*

A thorough review will be completed by the Grants Specialist, Program Manager and the College Business Office to determine the factors that contributed to the situation. Decisions on how to cover the deficit will be made on a case-by-case basis. Deficits will either need to be covered by other departmental funds or will be consolidated into the grant and contract consolidation account.

3. *What happens if my grant or contract ends with a surplus?*

Any grant or contract surplus will be transferred into the grant and contract consolidation account, if allowed. A department may request to expend any portion of a particular grant or contract surplus by completing a Surplus Usage Request Form (Appendix H). This form requires an explanation for how the surplus was generated and detail on how it will be used by the Program Manager's area. Before surplus funds are released for use by a Program Manager, a verification of these funds must be made by the College Business Office.

4. *Why do I have to fill out time and effort reports?*

Any grant or contract) which has a Federal funds component, requires completion of time and effort certifications. Completion of these certification reports helps to ensure the appropriateness of Federal funds usage. When filling out time and effort reports, the employees are vouching for the accuracy of the amount of time they spent on the federally funded activity. Department Managers are responsible for maintaining records of "Time and Effort" employees in the grant program.

5. *How do I get my grant or contract financial information?*

The following reports are available on the public folders in Outlook: Salary and Wage (BAI2II), Detailed Revenue (GA2I03), Budget Status (MI20I), and Monthly Operations (GA3230). The same information may be access online through FMS Query. If you are not receiving this information or do not know how to access it, please contact your College Business Office.

OPERATIONAL

1. *When do I need to request a FAPC (Financial Aid Program Code)? How does a FAPC work?*

If a grant or contract is to pay for tuition, fees, or any other charges associated with student accounts, a FAPC must be requested. Use of a FAPC is the only way to pay student charges through cashiering. A FAPC is a three digit alphanumeric code that corresponds with the last three digits of the budget number. When cashiers make payments using a FAPC, charges (expenditures) are automatically posted to the designated budget.

2. *What do I do if changes have to be made after students are registered and tuition/fees are paid?*

It is a multiple step process:

- a) students must be dropped from class
- b) all charges have to be refunded back to the budget with a FAPC (only by cashiers)
- c) make all appropriate corrections to the class
- d) reenroll the students
- e) pay updated charges with FAPC again (only by cashiers)

3. *What "red flags" do I need to look for when reviewing budget printouts?*

- a) Tuition and instructional salaries charges on the same budget
- b) Benefits charges with no salaries
- c) Salary charges with no benefits
- d) Charges on the budget after the contract end date
- e) Expenditures on the SBCTC budgets after June Final Reports
- f) Expenditures greater than the amount of the grant or contract
- g) No expenditures on budget report
- h) Inappropriate expenditures
- i) No reimbursement appearing under S or N Category for State grants/contracts
- j) No Budget Report

4. *How often should the budgets be reconciled? What detailed information should be monitored on a monthly basis?*

Budgets should be reconciled monthly. Labor Distribution should be input into general ledger transfer reports. They should correspond to Budget Status Reports and timesheet records for the budget. Monthly expenditure reports should reflect all the charges made by the department in the given month. If information is missing or confusing, contact the Business Office.

5. *How should departments monitor expenditures?*

Each department may establish their own system for tracking, filing, and monitoring budgets but records must be reconciled to the college's accounting system, Oracle. Departments' spreadsheets and databases are not the official college records; the budget printouts are. If there are discrepancies between the budgets printouts and department records, or if you are missing any back up for transactions, please contact the college Business Office.

Appendix C

Grant/Contract Checklist

Department:

- Make sure Grant or Contract fits with mission and strategic plan of institution
- Identify the project and granting agency or contracting party
- Estimate the cost and prepare the budget "Don't give away the store"
- Indirect Costs provided
- Draft proposal
- Submit transmittal form, proposal/contract, and budget for internal approval
- Mail to grantor or contractor
- Make tentative arrangements for instruction, coordination, equipment etc.
- Receive grant or signed contract
- Request the budget number and FAPC (if applicable) from the Business Office.
- Deliver the service as agreed
- Review in detail monthly Budget Reports
- Complete and submit time & effort reports and match reports when applicable
- Initiate the billing (notify the Business Office)
- Reconcile budget

Academic Affairs and Grants Office:

- Review: transmittal form, proposal/contract, and budget
- Approve proposal/contract for mailing out
- Verify source of funding federal or not
- Request budget number and FAPC (if applicable)
- Review monthly budget reports on summary level
- Invoice the grantor/contractor where applicable
- Ensure timely collection process
- Help department reconcile the budget
- Initiate closing
- Maintain security access for WVU-Parkersburg Grants web site (OBIS)

Business Office:

- Review budget request Edit Card & assign the number
- Activate budget number in Oracle
- Facilitate and keep track of time & effort reporting
- Quarterly reports new grants and contracts
- Update budget amount on Oracle
- Overview timely billing and collecting effort
- Clear GL and inactivate budget number.