



GRANTS ACCOUNTING HANDBOOK

GRANTS ACCOUNTING HANDBOOK

Table of Contents

| | |
|---|----|
| <i>Introduction to Grants Accounting</i> | 3 |
| <i>Grants Accounting Process Flowcharts</i> | 4 |
| <i>Conflict of Interest</i> | 6 |
| <i>Financial Management System</i> | 8 |
| <i>Internal Controls</i> | 9 |
| <i>Cost Principles</i> | 10 |
| <i>Budgets</i> | 11 |
| <i>Personnel Activity Reporting</i> | 12 |
| <i>Purchasing</i> | 13 |
| <i>Travel</i> | 14 |
| <i>Certifications</i> | 15 |
| <i>Performance and Financial Monitoring and Reporting</i> | 16 |
| <i>Closeout</i> | 17 |
| <i>Records Retention</i> | 17 |
| <i>Acronyms</i> | 18 |
| <i>Grant Accounting Glossary of Terms</i> | 19 |

Introduction to Grants Accounting

St. Petersburg College (“the College”), as a recipient of grant award funds, must follow all of the rules, regulations, and other requirements that apply to those funds. The College is responsible for administering and supervising all awarded grants in accordance with the terms and conditions of each award. Federal regulations require that processes are consistent across the College. Due to the continued acceptance of Federal awards, this handbook uses Federal regulations to define grant processes. As a state college, the College must also follow Florida statutes. In any situation where Florida statutes are more restrictive or more limiting than federal regulations, the Florida statutes must be complied with.

Grant Requirements Sources

The primary sources of grant requirements most frequently referenced include the following:

- The relevant program statute (e.g., Carl D. Perkins Career and Technical Education Act).
- Relevant program regulations.
- Administrative regulations of the grantor agency. For example,
 - Education Department General Administrative Regulations (EDGAR) Parts 74-86 and 97-99, applicable to grants awarded by the U.S. Department of Education.
 - EDGAR Part 74 is the U.S. Dept. Ed implementation of OMB Circular A-110.
 - EDGAR Part 75 is applicable to U.S. Dept. Ed Direct Grant Programs.
 - EDGAR Part 76 is applicable to Florida Department of Education State Administered Programs.
 - Florida Department of Education Green Book
- Office of Management and Budget (OMB) Circulars.
- Grant application Solicitation for Grant Award (SGA)/Request for Proposal (RFP) document and Grant Award Notice.

OMB Circulars

The Office of Management and Budget (OMB) is a branch of the Executive Office of the President, and assists with preparation of the Federal Budget and the administration of federal programs. As an Institution of Higher Education (IHE), the College is subject to the following OMB regulations.

For Grant Awards issued prior to December 26, 2014:

- 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 Non-Profit Organizations.”
- OMB Circular A-133, “Audits of States, Local Governments, and Non-Profit Organizations,” and the A-133 “Compliance Supplement.”

For Grant Awards issued on or after December 26, 2014, and, incremental funding after December 26, 2014 on previous awards where the granting agency considers the increment as an opportunity to change award terms and conditions:

- OMB Guidance 2 CFR Part 200 “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,” and Appendix XI to Part 200, “Compliance Supplement.”

The electronic version of the Guidance can be found at the following link:

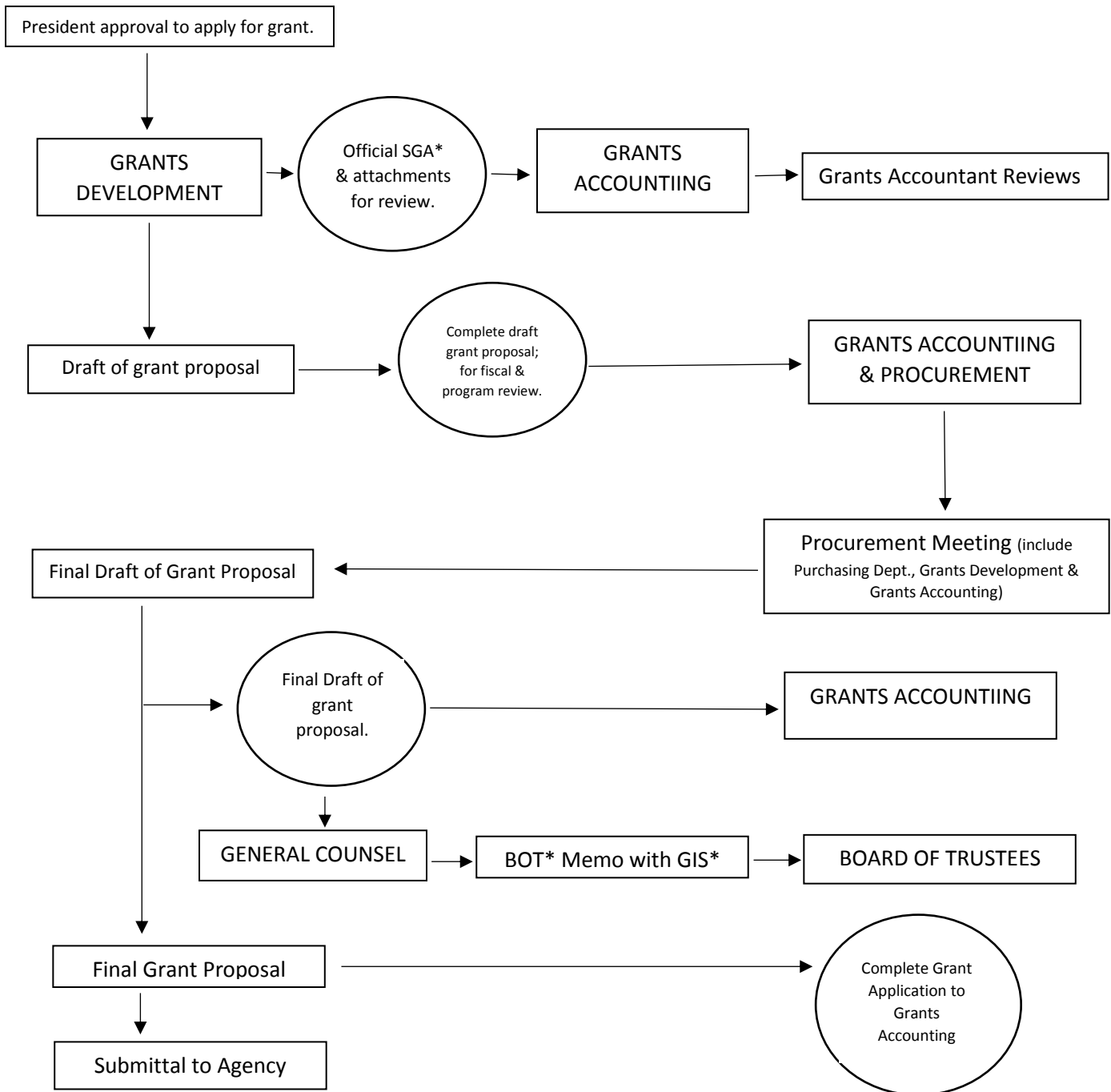
<http://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=20b586e191a6a0e6b1fd446b258fcb23&n=pt2.1.200&r=PART&ty=HTML>

Research Grants

Research is defined as a systematic study directed toward fuller scientific knowledge or understanding of the subject studied. Effective January 14, 2013, as stated in the National Science Foundation (NSF) “Award & Administrative Guide,” all grant awards issued by the NSF are considered Research Grants.

<http://www.nsf.gov/pubs/policydocs/pappguide/nsf14001/aagprint.pdf>

Grants Accounting Process Pre-Award



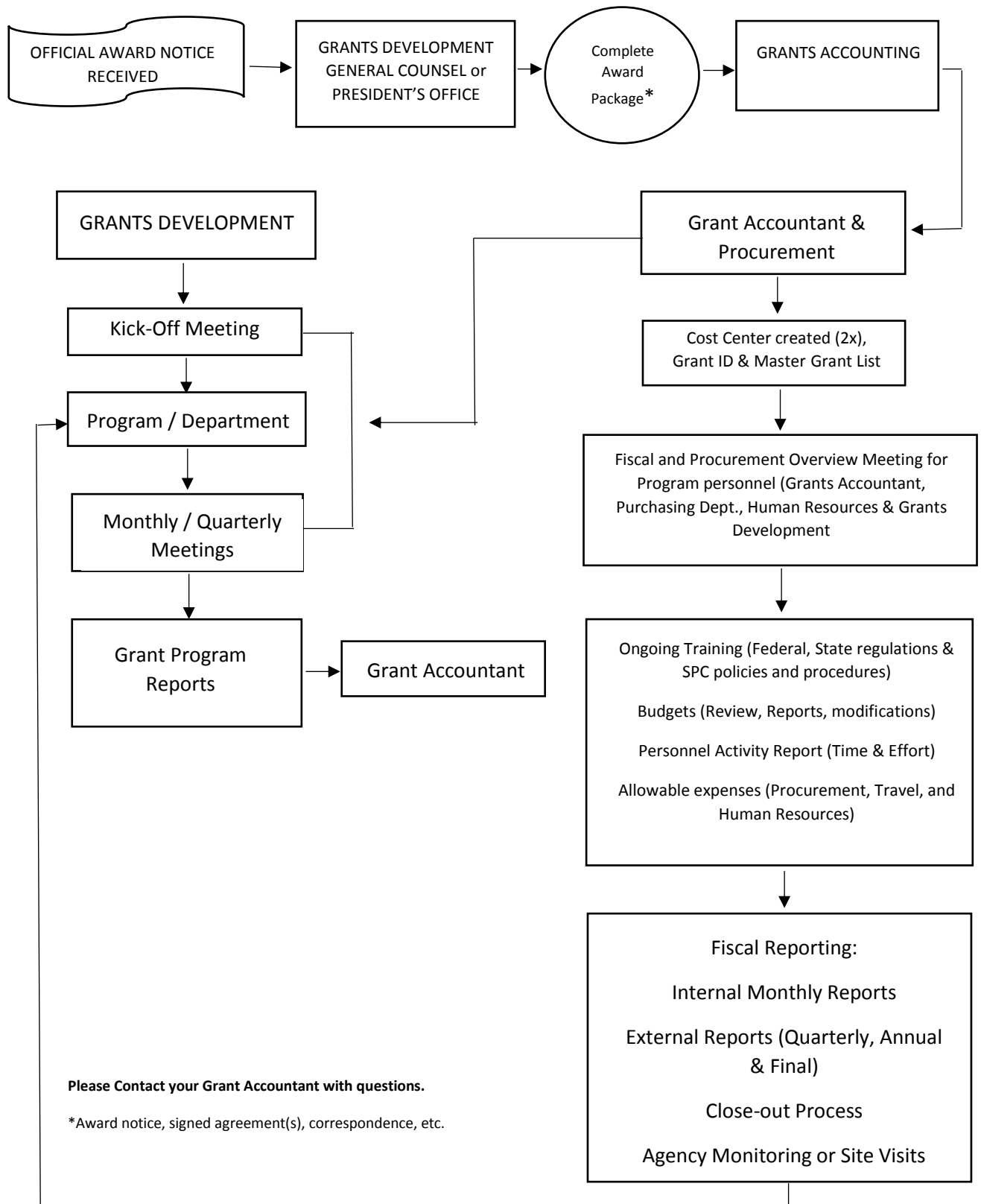
Please contact your Grant Accountant with questions.

*SGA – Solicitation for Grant Application

*BOT – Board of Trustees

*GIS – Grant Information Summary

Grants Accounting Process Post-Award



Conflict of Interest

The White House Office of Management and Budget (OMB) has issued uniform regulations requiring the awarding agency receiving grant funding to establish standards and procedures to be followed by the grantee institution so that the design, conduct, or reporting of funded grants will not be biased by any conflicting financial interest held by the “Grants Personnel” responsible for the grants. St. Petersburg College (SPC), as an applicant for, or recipient of, Federal grant funds is required to disclose in writing any potential conflict of interest to the Federal awarding agency or pass-through in accordance with the applicable awarding agency’s policy (reference guidance found in the Code of Federal Regulations, Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards published December 26, 2014, under Subpart B – General Provisions, Section 200.112 – Conflict of Interest).

With the goal of complying with OMB guidance and various federal awarding agencies’ requirements, various departments at SPC have established a uniform Conflict of Interest Policy for SPC’s externally funded grants in accordance with the authority granted under College Procedure P6Hx23-2.031, Procedure Regarding Standards of Conduct, Reporting Known or Suspected Improper or Fraudulent Financial Activities and Whistleblower Protections, Section VI., titled Internal Controls and Accountability Measures. Specifically, this Section requires each department to implement policies and protocols, as established by SPC, related to internal fiscal controls, management of security and levels of accountability commensurate with the functions and responsibilities of that department. This Section further provides that employees at all levels of SPC’s operation and administration are expected to take appropriate steps to maintain proper controls, guard against improper activities, and minimize risks within their respective sphere of responsibility.

Definitions:

- a. “Grants Personnel” refers to all grant managers or co-managers, regardless of their title or position, whether paid or unpaid through the grant, who are responsible for the design, conduct or reporting under the terms of a grant or contract, or the sub-award to a grant or contract. This includes, but is not limited to Principal Investigators (PI), co-PIs, administrators, faculty, program directors, and persons developing grant objectives.
 - b. “Significant Financial Interest” is anything of monetary value, including but not limited to:
 - i. Remuneration for services exceeding \$5,000 in twelve months prior to the disclosure;
 - ii. Equity interest exceeding \$5,000 in twelve months prior to disclosure (e.g., stock, stock options, other ownership instruments);
 - iii. Gains from intellectual property rights (e.g., patents, copyrights, royalties);
 - iv. Travel reimbursed by other than a government agency, college or university.
- “Significant Financial Interest” does not include:
- v. Salary or other remuneration from SPC;
 - vi. Income from investment instruments in which the grants personnel does not control investment decisions, such as mutual funds and retirement accounts;
 - vii. Income from seminars, lectures, teaching engagements or service on advisory committees sponsored by a Federal, state, or local government agency, an Institution of Higher Education (IHE) as defined at 20 U.S.C. 1001(a), an academic teaching hospital, a medical center, or a research institute that is affiliated with an IHE;
- c. A sub-recipient is an entity that receives a sub-award from a grant or contract awarded to SPC. The sub-recipient is accountable to SPC for the use of the funds provided by the sub-award.

Process of Disclosure:

- a. All Grants Personnel must disclose any SFI or any SFI of their spouse, partner, or dependent children. This applies to anyone proposing to engage in funded grants. The disclosure process requires the Grants Personnel to complete and submit the attached Conflict of Interest “Disclosure Form” to the Grants

Development Department (Grants Development). Grants Development will then submit the form(s) to the General Counsel's Office for a determination on whether a conflict of interest exists. The General Counsel's Office (GC) must be consulted before a disclosure is made to the awarding agency. The General Counsel's Office will advise Grants Development on how to proceed and what, if any, restrictions must be imposed to manage, reduce, mitigate or eliminate the conflict(s).

- b. The Disclosure Form must be completed by Grants Personnel regardless of the type of funding source, i.e. public or private.
- c. A conflict of interest is not necessarily created by a SFI.
- d. All completed and reviewed Disclosure Forms will be kept on file by Grants Development as part of the application file for new funding and/or subsequent reporting/auditing requirements for the applicable grant.

Reporting Financial Conflicts of Interest (FCOI):

- a. Upon guidance from the GC's Office, any SFI determined to be a financial conflict of interest (FCOI) will be reported by Grants Development to the sponsoring agency within 60 days of the disclosure.
- b. Grants Development will respond to any public requests for information regarding FCOIs.
- c. Should the GC's Office determine retrospectively that a Financial Conflict of Interest was not identified or managed in a timely manner, a retrospective review of the Grant Personnel's activities on the grant project will be examined to determine whether the institutional research or activities conducted during the period of non-compliance were biased in their design, conduct, or reporting. Upon advice from the GC's Office, Grants Development will update any previously submitted report to the funding agency specifying the actions that will be taken to manage the FCOI going forward. If bias by any Grant Personnel is found, the report will include a mitigation report in accordance with the applicable regulations, including a description of the impact of the bias on the research/grant project and the plan of action to eliminate or mitigate the effect of the bias.
- d. Failure to timely disclose SFI's and failure to abide by this policy may subject an individual to restrictions on future involvement with grants and other disciplinary actions leading up to and including dismissal in accordance with SPC Board of Trustees Rules and College Procedures.
- e. Grants Development shall maintain a record of all disclosures to an agency and all actions taken to resolve the conflicts of interest. Such records shall be maintained for at least three years beyond the termination or completion of the grant to which they relate, or in accordance with the timeframe required under Chapter 119, Florida Statutes and the Florida Records Retention Schedule, whichever timeframe is longer.

Timing of Disclosure:

The completed Disclosure Form will be submitted by the applicable grant personnel to the Grants Development Department at three possible time points:

- a. Prior to a new application for funding;
- b. Updated annually at each anniversary date of the original form; and
- c. Updated within 5 calendar days of discovering or acquiring a SFI.

Training:

All Grant Personnel will be made aware of this policy by Grants Development during the grant development process. All Grant Personnel must be familiar with this policy and understand it. Questions on the policy must be addressed to Grants Development. If Grants Development has questions, it may consult the GC's Office.

Subrecipients:

SPC is responsible for ensuring that all grant subrecipients are compliant with federal regulations regarding conflicts of interest. SPC shall require subrecipients to attest in writing that they have no known conflicts of interest between the awarding agency or entity, the grant project, or SPC.

Financial Management System

The College must have a proper financial management system in place in order to receive both direct and state-administered grants and to expend funds associated with a grant award. Failure to establish and maintain a proper financial management system could result in the return of funds to the granting agency and/or the termination of the grant.

As stated in 2 CFR Part 200.302, the financial management system must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions, and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award. Specifically, the system must provide:

- (1) Identification, in its accounts, of all Federal awards received and expended and the Federal programs under which they were received.
- (2) Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in §200.327 Financial reporting and §200.328 Monitoring and reporting program performance.
- (3) Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income, and be supported by source documentation.
- (4) Effective control over, and accountability for, all funds, property, and other assets. The non-Federal entity must adequately safeguard all assets and assure that they are used solely for authorized purposes. See §200.303 Internal controls.
- (5) Comparison of expenditures with budget amounts for each Federal award.
- (6) Written procedures to implement the requirements of §200.305 Payment.
- (7) Written procedures for determining the allowability of costs in accordance with 2 CFR Part 200 Subpart E—Cost Principles, and the terms and conditions of the Federal award.

Source Documentation

The College must maintain adequate documentation to support charges to the grant, demonstrating that it adhered to the terms and conditions of the grant and allowable activities. Grants Accounting shall include the details of all grant transactions (from the awarding of the proposed grant, to final action by the College). Source documents may include:

- Purchase Orders
- Personnel Activity Reports
- Contracts
- Vendor invoices
- Delivery receipts
- Travel documentation
- Payment documents

Internal Controls

The College must maintain an effective control and accountability system for all cash, real and personal property, and other assets. These controls must adequately safeguard grant property and ensure such property is used solely for authorized purposes. As a grant recipient, the College must adhere to the following requirements stated in 2 CFR Part 200.303:

- (1) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States and the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).
- (2) Comply with Federal statutes, regulations, and the terms and conditions of the Federal awards.
- (3) Evaluate and monitor compliance with statute, regulations and the terms and conditions of Federal awards.
- (4) Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings.
- (5) Take reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or pass-through entity designates as sensitive, or the non-Federal entity considers sensitive, consistent with applicable Federal, state and local laws regarding privacy and obligations of confidentiality.

Internal control over compliance requirements for Federal awards

As stated in 2 CFR Part 200.62, “internal control over compliance requirements for Federal awards” means a process designed to provide reasonable assurance regarding the achievement of the following objectives for Federal awards:

- (1) Transactions are properly recorded and accounted for, in order to:
 - (a) Permit the preparation of reliable financial statements and Federal reports;
 - (b) Maintain accountability over assets; and
 - (c) Demonstrate compliance with Federal statutes, regulations, and the terms and conditions of the Federal award;
- (2) Transactions are executed in compliance with:
 - (a) Federal statutes, regulations, and the terms and conditions of the Federal award that could have a direct and material effect on a Federal program; and
 - (b) Any other Federal statutes and regulations that are identified in the Compliance Supplement; and
- (3) Funds, property, and other assets are safeguarded against loss from unauthorized use or disposition.

Cost Principles

Under 2 CFR Part 200.400, as a recipient of Federal awards, the College is responsible for the following:

- The efficient and effective administration of the grant through the application of sound management practices.
- Administering Federal funds in a manner consistent with underlying agreements, program objectives, and the terms and conditions of the grant.
- Employing whatever form of sound organization and management techniques may be necessary in order to assure proper and efficient administration of the grant.
- Accounting practices which must be consistent with the cost principles of 2CFR Part 200 Subpart E, support the accumulation of costs as required by the principles, and provide for adequate documentation to support costs charged to the grant.
- Applying cost accounting principles on a consistent basis.

Allowable Costs

As specified in 2 CFR part 200.403, costs must meet the following general criteria in order to be allowable under Federal awards:

- Be necessary and reasonable for the performance of the award and be allocable under the principles in 2 CFR Part 200 Subpart E.
- Conform to any limitations or exclusions set forth in the principles of 2 CFR 200 Subpart E, or in the award, as to types or amount of cost items.
- Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the College.
- Be accorded consistent treatment. A cost may not be assigned to an award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the award as an indirect cost.
- Be determined in accordance with generally accepted accounting principles (GAAP).
- Not be included as a cost, or used to meet cost sharing or matching requirements, of any other federally-financed program in either the current or a prior period.
- Be adequately documented.

Allocable costs

As designated in 2 CFR Part 200.405, a cost is allocable to a particular award or other cost objective if the goods or services involved are chargeable or assignable to that award or cost objective in accordance with relative benefits received. This standard is met if the cost:

- Is incurred specifically for the award.
- Benefits both the award and other work of the College and can be distributed in proportions that may be approximated using reasonable methods.
- Is necessary to the overall operation of the College and is assignable in part to the award in accordance with the principles in 2 CFR Part 200 Subpart E.

All activities which benefit from the College's indirect (F&A) cost, including unallowable activities and donated services by the College, must receive an appropriate allocation of indirect costs.

Any cost allocable to a particular award under the principles provided for in 2 CFR Part 200.405 may not be charged to other awards to overcome fund deficiencies, to avoid restrictions, or any other reason.

Budgets

Grants must have funds budgeted in such detail as required by the grant. The College is required to follow the conditions of the grant that include, but may not be limited to:

- Spending funds in accordance with the approved budget of the grant.
- Returning unused balances of grant funds.
- Establishing property records of grant-acquired property, if so indicated.
- Providing program and fiscal reports at given intervals as required.

The College, auditors, and field monitors must be able to compare actual expenditures to budgeted expenditures. It is therefore important to obligate and expend funds in accordance with the approved budget. An obligation occurs when the College formally designates funds for a specific purpose. Obligations must occur by the end date of the grant. An expenditure is a charge made to a grant or program. Expenditures must be made in time to allow preparing and submitting the final expenditure report by the due date.

The College must comply with budget regulations which include (but are not limited to) the following excerpts from 2CFR Part 200.308:

- The approved budget for the Federal award summarizes the financial aspects of the project or program as approved during the Federal award process. It must be related to performance for program evaluation purposes whenever appropriate.
- Recipients are required to report deviations from budget or project scope or objective, and request prior approvals from awarding agencies for budget and program plan revisions.
- Recipients must request **prior approvals** from Federal awarding agencies for one or more of the following program or budget-related reasons:
 - Change in the scope or the objective of the project or program (even if there is no associated budget revision requiring prior written approval).
 - Change in a key person specified in the application or the Federal award.
 - The disengagement from the project for more than three months, or a 25 percent reduction in time devoted to the project, by the approved project director or principal investigator.
 - The inclusion, unless waived by the Federal awarding agency, of costs that require prior approval in accordance with Subpart E—Cost Principles.
 - The transfer of funds budgeted for participant support costs as defined in §200.75 “Participant support costs” to other categories of expense.
 - Unless described in the application and funded in the approved Federal award, the subawarding, transferring or contracting out of any work under a Federal award.
 - Changes in the amount of approved cost-sharing or matching provided.

All grants personnel should work with their Grant Accountant concerning all budget related issues.

Personnel Activity Reporting

Grant funds may be used, if provided for in the approved grant budget, to hire and pay all or part of the salaries and allowable fringe benefits of personnel who are directly working on the grant project. Grant-funded projects must follow standard Human Resources policies and procedures of the College regarding the employment of individuals for the term of the grant. The College's hiring policies, procedures, instructions, and forms can be accessed at <http://www.spcollege.edu/central/hr/>

All employees to be directly charged to the grant must be budgeted and approved. Employees may charge the grant only for the actual number of days worked and the actual percentage of time worked on the grant, based on Personnel Activity Report documentation. All College employees, including faculty, adjunct, A&P, or OPS, who work on grant-funded projects must complete a Personnel Activity Report.* The completed, signed, and approved form must be submitted to the applicable Grants Accountant no later than the 10th of each month following the reporting period.

Employees may be fully funded by one or more grants, meaning they spend 100% of their time conducting grant program activities, or, they may be partially grant-funded, meaning they spend a portion of their time conducting grant program activities and other portions on non-grant-funded activities. The total time accounted for on the Personnel Activity Report must reflect and account for 100% of the employee's time for the period covered, including grant and non-grant activities.

For Federal awards, the College is required to meet the Standards for Documentation of Personnel Expenses as found in 2 CFR Part 200.430(i) as summarized below:

- Personnel records must accurately reflect the work performed, and must
 - Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
 - Be incorporated into the official records of the College;
 - Reasonably reflect the total activity for which the employee is compensated by the College, not exceeding 100% of compensated activities;
 - Encompass both federally assisted and all other activities compensated by the College on an integrated basis;
 - Comply with the established accounting policies and practices of the College;
 - Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.
- In accordance with Department of Labor regulations implementing the Fair Labor Standards Act, charges for the salaries and wages of nonexempt (i.e. hourly) employees must also be supported by records indicating the total number of hours worked each day.
- Salaries and wages of employees used in meeting cost sharing or matching requirements on Federal awards must be supported in the same manner as salaries and wages claimed for reimbursement from Federal awards.

Personnel Activity Reports and instructions can be found at the following link:

<https://onecollegesupport.spcollege.edu/admin/ABS/BusServ/Grants/SitePages/Home.aspx>

*Personnel Activity Reports were formerly referred to as Time and Effort Reports.

Purchasing

The process of purchasing goods and services for use in a grant-funded project must comply with College policies and procedures as well as the grant requirements found in the grant application guidelines and the award package. Federal award purchasing requirements can be found in 2 CFR Part 200.318 through 200.326. Some of the highlights of the federal requirements that the College must adhere to include the following:

- Use documented procurement procedures reflecting applicable federal, state, and local laws.
- Maintain oversight of contractors.
- Maintain written standards of conduct covering conflicts of interest. (see Handbook pages 7-8)
- Avoid acquisition of unnecessary or duplicative items.
- Utilize intergovernmental agreements for procurement of common or shared goods and services.
- Use federal excess and surplus property in lieu of purchasing new items whenever feasible.
- Award to contractors with the ability to perform successfully under the terms and conditions.
- Maintain records sufficient to detail the history of procurement.
- Conduct procurement transactions in a manner providing full and open competition. Situations which would undermine such competition include but are not limited to noncompetitive pricing, noncompetitive contracts to consultants, organizational conflicts of interest, specifying a brand name product instead of allowing an equal product to be offered, and any arbitrary action in the procurement process.
- Prohibit the use of statutorily imposed geographical preferences in the evaluation of bids or proposals.
- Have written procedures for procurement transactions.
- Utilize federally proscribed methods of procurement which include micro-purchase, small purchase, sealed bids, and competitive proposals. Noncompetitive proposals may only be used in limited, specified circumstances.
- Take affirmative steps to utilize minority or women's businesses and labor surplus area firms.
- Perform cost analysis in connection with every procurement action in excess of \$150,000.
- Make procurement documents available to the awarding agency upon request.
- Comply with bonding requirements of the awarding agency when applicable.
- Comply with contract provisions designated in Appendix II to Part 200.

Purchasing policies, procedures, instructions and forms can be found at the following link:

<https://onecollegesupport.spcollege.edu/admin/ABS/BusServ/Purchasing/SitePages/Home.aspx>

Travel

Approved travel that is incurred for official business of the College, specifically related to a grant award, must comply with College policies and procedures in accordance with Florida statutes, and also meet the requirements found in the grant application guidelines and the award package.

Florida statutes can be accessed at the following link:

http://www.leg.state.fl.us/Statutes/index.cfm?App_mode=Display_Statute&Search_String=&URL=0100-0199/0112/Sections/0112.061.html

In addition to Florida statutes and College procedures, approved travel under a federal award must comply with the following requirements (see 2 CFR Part 200.474).

- Travel expenses must be consistent with those normally allowed in like circumstances in the College's non-federally-funded activities and in accordance with the College's written travel reimbursement policies.
- Travel expenses must be considered reasonable and otherwise allowable only to the extent such costs do not exceed charges normally allowed by the College in its regular operations.
- Documentation must justify that:
 - Participation of the individual is necessary to the Federal award; and
 - The costs are reasonable and consistent with the College's established travel policy.

The College's Travel policies, procedures, instructions, and forms can be found at the following link:

https://oncollegesupport.spcollege.edu/admin/ABS/BusServ/Travel/SitePages/Travel_Home.aspx

Certifications

The College is required to provide certain certifications as to the costs recorded on Federal grants.

Required certifications under 2 CFR Part 200.415 includes the following language:

“To assure that expenditures are proper and in accordance with the terms and conditions of the Federal award and approved project budgets, the annual and final fiscal reports or vouchers requesting payment under the agreements must include a certification, signed by an official who is authorized to legally bind the non-Federal entity, which reads as follows: ‘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. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812).’ “

In order to properly support the certifying official of the College and provide documentation of the costs incurred, employee and supervisor signatures are required on Personnel Activity Reports to verify that the activities being charged to grants are accurately recorded as a reasonable reflection of work performed. The supervisor must have firsthand knowledge of the work performed by the employee.

Performance and Financial Monitoring and Reporting

The College is responsible for oversight of the operations of Federal award supported activities, and must monitor all activities under Federal awards to assure that compliance with applicable Federal requirements and performance expectations are being achieved. Monitoring must cover each program, function or activity.

Performance Reports

Under the provisions of 2 CFR Part 200.328, the College is required to submit performance reports at the interval required by the Federal awarding agency. Intervals must be no less frequent than annually nor more frequent than quarterly except in unusual circumstances, for example where more frequent reporting is necessary for the effective monitoring of the Federal award or could significantly affect program outcomes.

- Annual reports must be due 90 calendar days after the reporting period.
- Quarterly or semiannual reports must be due 30 calendar days after the reporting period.
- Alternatively, the Federal awarding agency may require annual reports before the anniversary dates of multiple year Federal awards.
- Final performance report is due 90 calendar days after the period of performance end date.

The College must submit performance reports using OMB-approved, government-wide, standard information collections when providing performance information. As appropriate in accordance with above mentioned information collections, these reports are required to contain, for each Federal award, brief information on the following unless other collections are approved by OMB:

- A comparison of actual accomplishments to the objectives of the Federal award established for the period. Where the accomplishments of the Federal award can be quantified, a computation of the cost (for example, related to units of accomplishment) may be required if that information will be useful. The Federal awarding agency may require performance trend data and analysis if this would be informative to the awarding agency program.
- The reasons why established goals were not met, if applicable.
- Additional pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

Significant developments

Events may occur between the scheduled performance reporting dates that have significant impact upon the supported activity. In such cases, the College must inform the Federal awarding agency as soon as the following types of conditions become known:

- Problems, delays, or adverse conditions which will materially impair the ability to meet the objective of the Federal award. This disclosure must include a statement of the action taken, or contemplated, and any assistance needed to resolve the situation.
- Favorable developments which enable meeting time schedules and objectives sooner or at less cost than anticipated or producing more or different beneficial results than originally planned.

Audits and Site Visits

The awarding agency may conduct audits and/or make site visits as warranted by program needs.

Closeout

The awarding agency will close-out the award when it determines that all applicable administrative actions and all required work of the award have been completed by the College. The actions to be taken by the College to complete this process at the end of the period of performance for Federal awards are outlined in 2 CFR Part 200.343 and are summarized below.

- The College must submit, no later than 90 calendar days after the end date of the period of performance, all financial, performance, and other reports as required by or the terms and conditions of the Federal award.
- Unless the awarding agency authorizes an extension, the College must liquidate all obligations incurred under the Federal award not later than 90 calendar days after the end date of the period of performance as specified in the terms and conditions of the Federal award.
- The College must promptly refund any balances of unobligated cash that the Federal awarding agency or pass-through entity paid in advance or paid and that is not authorized to be retained by the College for use in other projects.
- The College must account for any real and personal property acquired with Federal funds or received from the Federal government in accordance with §§200.310 Insurance coverage through 200.316 Property trust relationship and 200.329 Reporting on real property.

Records Retention

According to Florida statutes (General Records Schedule GS1-SL for State and Local Government Agencies) records of all activities relating to grant-funded projects, including the application process and receipt and expenditure of grant funds, must be retained for a period of five fiscal years after the project completion. Files include, but are not limited to, grant applications; contracts; agreements; grant status, narrative, and financial reports; and supporting documentation.

Acronyms

| | |
|--------|---|
| CFDA | Catalog of Federal Domestic Assistance |
| CFR | Code of Federal Regulations |
| CMIA | Cash Management Improvement Act |
| COG | Councils Of Governments |
| COSO | Committee of Sponsoring Organizations of the Treadway Commission |
| D&B | Dun and Bradstreet |
| DUNS | Data Universal Numbering System |
| ERISA | Employee Retirement Income Security Act of 1974 (29 U.S.C. 1301-1461) |
| F&A | Facilities and Administration |
| FAIN | Federal Award Identification Number |
| FAPIS | Federal Awardee Performance and Integrity Information System |
| FAR | Federal Acquisition Regulation |
| FFATA | Federal Funding Accountability and Transparency Act of 2006 or Transparency Act |
| FICA | Federal Insurance Contributions Act |
| FOIA | Freedom of Information Act |
| FR | Federal Register |
| FTE | Full-time equivalent |
| GAAP | Generally Accepted Accounting Principles |
| GAGAS | Generally Accepted Government Accounting Standards |
| GAO | General Accounting Office |
| GSA | General Services Administration |
| IBS | Institutional Base Salary |
| IHE | Institutions of Higher Education |
| MTC | Modified Total Cost |
| MTDC | Modified Total Direct Cost |
| OMB | Office of Management and Budget |
| PII | Personally Identifiable Information |
| PRHP | Post-retirement Health Plans |
| PTE | Pass-through Entity |
| SAM | System for Award Management |
| SFA | Student Financial Aid |
| SPOC | Single Point of Contact |
| TFM | Treasury Financial Manual |
| U.S.C. | United States Code |

Grant Accounting Glossary of Terms

Allocation – the process of assigning a cost, or a group of costs, to one or more cost objectives, in reasonable and realistic proportion to the benefit provided or other equitable relationship.

Allowable Costs – expenditures that may be charged to the project only if they are in payment of an obligation incurred during the project period, conform to the approved project, and comply with minimum requirements of federal and state statutes, rules, and regulations.

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

Certification - a signature of affirmation that the recorded information is correct.

Closeout – the process by which the awarding agency determines that all applicable administrative actions and all required work of the award have been completed, and takes actions as described in 2 CFR Part 200.343.

Contract – a legal instrument by which an entity purchases property or services needed to carry out the program under a federal award (2 CFR Part 200.22) and creates a procurement relationship with the contractor [see 2 CFR Part 200.330(b)]. It does not include an arrangement where the substance of the transaction meets the definition of a federal award or subaward (2 CFR Part 200.92).

Contractor – an entity that receives a contract as defined in 2 CFR Parts 200.22 and 200.330. A contractor provides goods or services in a procurement relationship with the College, and is not subject to adherence to applicable federal program requirements specified in the federal award (in contrast to a subrecipient). The contractor relationship is referred to as a vendor in OMB circulars A-110 and A-133.

Cost Sharing – allowable project costs not paid for by the awarding agency. Cost sharing represents a commitment by the College and may be called Matching, Contributions, In-Kind or Cash.

Cost Transfer - an after-the-fact reallocation of the cost associated with a transaction from one project to another. Although it is preferable to charge costs to the correct project when they are incurred, cost transfers are occasionally necessary.

- Federal regulations prohibit transferring costs to meet deficiencies caused by overruns or other fund considerations. Furthermore, the regulations require that cost transfers be made in a timely manner. If cost transfers are necessary to distribute clearing account expenses, to correct salary distribution estimates, to correct clerical or bookkeeping errors, or to make other accounting adjustments the following guidelines must be followed:
 - Made within 90 days after the month in which the cost was originally recorded on the PeopleSoft Financial System, and
 - Supported by an explanation that accurately describes in sufficient detail why the transfer is necessary.
- Salary cost transfers that are over 90 days will not be permitted to be transferred to another sponsored award. Transfers outside of the 90 day period, will be transferred to Fund 10 or a Residual Balance account.
- Cost transfers, excluding salary cost transfers, which are not made within the time frames stated above will be reviewed on a case-by-case basis and must be approved by the Associate Vice President of Financial & Business Services.

Direct Costs - costs associated with activities from which the project derives a direct benefit and can be readily and specifically attributed to the project or program.

Effort - the amount of time spent on a particular activity and expressed as a percentage of the total activity. It includes the time spent working on a sponsored project in which salary is directly charged or contributed through cost share. *Effort covers 100% of one's time regardless of the number of hours worked.*

Effort Certification – documentation by the employee and someone with suitable means of verification (direct knowledge) that effort reported is a reasonable reflection of work performed.

Effort Distribution - the allocation of one's time to various activities.

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 College, or, \$5,000. Items which are useable in a stand-alone manner (in contrast to only being useable as a component of a larger system) are evaluated independently as to capitalization threshold and classification as either equipment or supplies.

Indirect Costs- costs or activities that are incurred for common or joint purposes benefitting more than one cost objective and therefore cannot be identified readily and specifically with a particular sponsored project. Also referred to as F&A (Facilities and Administrative) costs.

Internal Controls - a process designed to provide reasonable assurance regarding the achievement of objectives in the following categories: effectiveness and efficiency of operations; reliability of reporting for internal and external use; and compliance with applicable laws and regulations.

Modified Total Direct Cost (MTDC) - all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and subawards up to the first \$25,000 of each subaward. MTDC excludes equipment, capital expenditures, rental costs, tuition remission, scholarships, and the portion of each subaward in excess of \$25,000.

Must – means required, while the word “should” indicates best practices or recommended approach.

Performance Goal - a target level of performance expressed as a tangible, measurable objective, against which actual achievement can be compared; a goal expressed as a quantitative standard, value, or rate.

Personnel Activity Report – a monthly, after-the-fact report indicating the amount of time an employee devotes to fulfill their job responsibilities in both restricted and unrestricted funds, allocated to each activity, accounting for 100% of the employee's compensated time for the period covered.

Principal Investigator (PI) – the individual designated by the sponsoring agency who is responsible and accountable for the proper conduct and direction of the project or activity.

Reasonable cost – a cost which would be incurred by a prudent person under the circumstances at the time the decision was made to incur the cost, considering efficient performance, sound business practices, laws and regulations, market prices, and similar factors.

Sponsored Project - a project funded by a grant, contract or cooperative agreement under which the College agrees to perform a certain scope of work, according to specified terms and conditions, for specific, budgeted, monetary compensation.

Subaward - an award provided by a pass-through entity to a subrecipient, for the subrecipient to carry out a portion 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 (see 2 CFR Part 200.92).

Subrecipient - an entity that receives a subaward from a pass-through entity to carry out a portion of a Federal award. A subrecipient has its performance measured in relation to whether objectives of a federal program were met, has responsibility for programmatic decision making, and is responsible for adherence to applicable

federal program requirements specified in the federal award. A subrecipient does not merely provide goods or services for the benefit of the pass-through entity [see 2 CFR Part 200.330(a)].

Supplanting - a provision of Federal statutes prohibiting the use of Federal grant funds to take the place of, or substitute for, state or local funds for services required by law. Federal funds must supplement (add to, expand, enhance, increase, extend) programs and services offered with state and local funds. Federal funds are not permitted to be used to supplant the state and local funds used to offer those programs and services.

Unallowable Costs - costs that cannot be charged to a project per sponsor guidelines, or, any other costs incurred by the College that the Office of Management and Budget (OMB) specifies cannot be included in the development of the indirect cost rate charged, nor as a direct cost to a Federally sponsored project. The OMB guidelines are found in either "Circular A-21" for awards issued prior to 12/26/2014, or, "2 CFR Part 200 Subpart E Cost Principles" for awards issued on or after 12/26/2014.

Vendor – a supplier of goods or services within a procurement relationship, as defined in OMB Circulars A-110 and A-133. The term "vendor" has been replaced by "contractor" in the new OMB Guidance 2 CFR Parts 200.23 and 200.330.