

Grant Management Handbook

Office of Grant Administration



ACKNOWLEDGMENTS

Amarillo College's Grant Management Handbook was originally modeled on Maricopa County Community College's Grants/Contracts Management Handbook. The Amarillo College Grant Management Handbook has been customized and revised to conform to Amarillo College business processes and to meet the needs of its users.

We hope that all of those involved with grants/contracts will find this document useful.

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TABLE OF CONTENTS

OVERVIEW.....	1
ORGANIZATION, STRUCTURE, AND FUNCTION.....	2
GRANT DEVELOPMENT AND ADMINISTRATION.....	3
EFFECTIVE PROJECT MANAGEMENT	6
MANAGING THE MONEY	10
TIME AND EFFORT.....	14

IMPORTANT AC OFFICES AND RESOURCES:

GRANT ACCOUNTING.....	17
INVENTORY/PROPERTY MANAGEMENT	18
RECORDS RETENTION	19
PURCHASING AND PROCUREMENT	20

REPORTS.....	28
AUDITS AND MONITORING VISITS	29
CLOSING OUT.....	32
STAYING OUT OF HOT WATER	34
GRANT TERMINOLOGY	37

OVERVIEW

The first few months of a new grant are both hectic and critical. The grant must be accepted by the college president and approved by the Board of Regents. The budget is set up, personnel are hired, and supplies and materials are purchased. The personnel, who are frequently new external hires, are under pressure to hit the ground running. They have to simultaneously learn all they can about the proposal, funding source regulations and policies, and campus and College policies and procedures . . . and, oh yes, get the program off the ground quickly and effectively with minimum disruption to the College's routine.

A grant that gets off to a good start usually will end well. Delays in setting up the budget, hiring or reassigning personnel, and securing supplies and materials may cause problems throughout the duration of the grant. Hiring the wrong people or delays in hiring can have a particularly detrimental impact on meeting grant objectives or fully expending grant/contract monies.

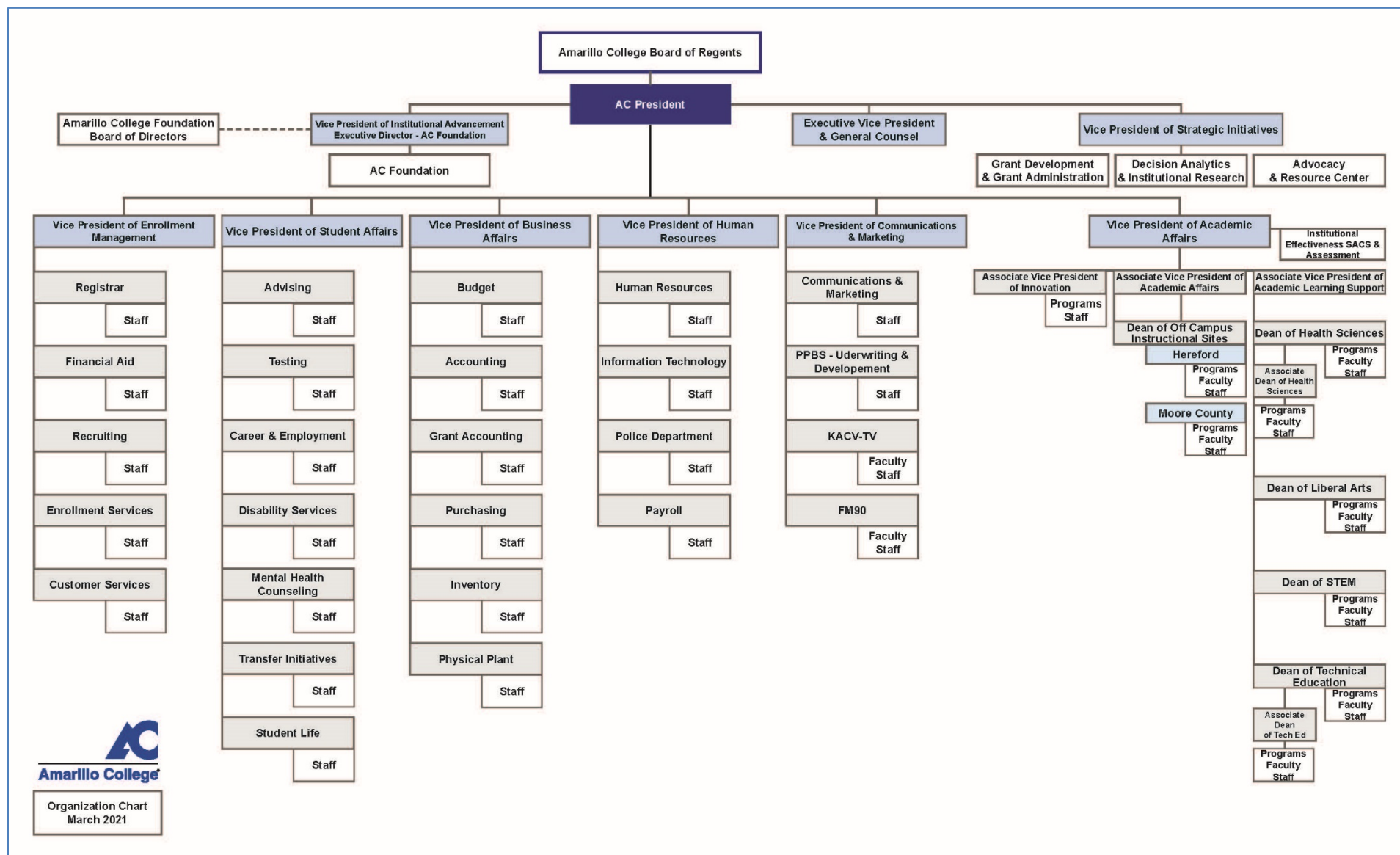
The time between the grant award and the actual start date varies. Although costs for activities and personnel cannot be charged to the grant before the authorized start date, it is possible to advertise positions, interview, select and orient key personnel (especially the Project Director) before the grant starts. Once the AC Board of Regents has accepted the grant, the operational budget can be established with the Grant Accounting Office and the hiring process completed.

For continuing grants, a new operational budget is necessary and a new Board of Regents approval by means of a Board Action Item is necessary to accept new monies. This needs to be accomplished quickly to meet patrol and avoid unnecessary accounting work.

This handbook is designed to give an overview of what the Project Director and his/her supervisor need to know to start up a new or continuing grant. This manual is not intended to be comprehensive nor is it intended to substitute for written procedures or policies produced by AC's Business Office, Purchasing Department, Office of Grant Accounting, Office of Employee and Organizational Development, or by grant funding agencies. In addition, this document primarily focuses on what happens after the grant is funded.

Arrangements for oversight, monitoring, and support of grant-related activities will vary. The supervisor of a Project Director needs to keep in mind that he/she is responsible for grant paperwork and activities until the Project Director is hired. If the Project Director's position is vacated prior to the closing of the grant, both the supervisor and the Project Director are responsible for monitoring the program performance and budget, taking whatever corrective actions are necessary for the program to succeed and the budget to be properly expended. A competent Project Director will keep his/her supervisor informed of any major difficulties or developments.

Amarillo College Organization Chart – updated March 2021



AC Offices of Grant Development and Administration

Cara Crowley – Vice President of Strategic Initiatives

Jennifer Ashcraft – Grant Administration Coordinator

Jacqui Jones – Grant Administration Coordinator

Office of Grant Development (Pre-Award) Key Responsibilities

- Coordinate planning, development, maintenance and implementation of processes and procedures related to grants and contracts.
- Develop, coordinate, update and maintain system for dissemination of information and opportunities for preparation of grants and contracts, rules and regulations, guidelines, applications, and submissions deadlines.
- Develop and maintain liaison between federal, regional, and state funding agencies regarding negotiations, status, and disposition of all grants applications and contracts submitted.
- Provide technical assistance, advice, support, and counsel to AC colleagues and to the College's leadership and administration in the development, planning, implementation, and evaluation of grants, contracts, and designated special projects.
- Develop, update, and maintain a broad database of funding sources that include objectives, past performance, and potential for AC.
- Review and analyze grants and contract planning and management processes, identify problem areas, and develop and implement changes as appropriate.
- Match strategic plan, objectives, and needs with the purposes and objectives of potential funding agencies.
- Prepare a list of potential sources of funding.
- Coordinate required report preparation, approval and submission to the funding agencies.

Grant Administration (Post-Award) Responsibilities

Office of Grant Administration	The Office of Grant Administration works together with Project Directors throughout the life of the grant project to ensure proper management and compliance. The Grant Administration Coordinators are responsible for assisting Project Directors in understanding and fulfilling the goals and objectives of the grant, both programmatic and fiscal. This office is also responsible for assisting AC and Project Directors in remaining compliant with the rules and regulations that apply to AC's grant programs.
Project Director	The Project Director executes the grant management functions of the post-award phase, which begins when AC accepts a grant award. Activities include, but are not limited to, 1) following the terms and conditions of the grant award; 2) meeting reporting requirements; 3) tracking performance and financial expenditures; and 4) ensuring a high level of ethical standards in the grant management process.
Grant Accounting Office	AC's Grant Accounting Office is responsible for 1) setting up a cost center for each grant; 2) entering the grant budget into Colleague; 3) transferring budget funds from one category to another as directed by the Project Director; 4) recording financial transactions; 5) preparing and submitting financial reports in consultation with the Project Director; and 6) drawing down funds from the funding agency's payment system.

AC's Office of Human Resources posts positions and gathers employment applications once a grant operating account has been established by the Grant Accounting Office.

AC's Purchasing Office (Business Affairs Division) assists Project Directors with procuring goods and services for grant-funded projects.

AC's Institutional Research Office (Vice President of Strategic Initiatives) provides Project Directors assistance in evaluating and interpreting the project's outcomes.

Grant-funded project management is also the responsibility of the following individuals:

- AC Supervisor (Content Expert) of the Project Director
- AC Deans, Associate Vice Presidents, and Vice Presidents
- Relevant personnel in other AC administrative areas such as the Registrar, Business Office, Information Technology, and Records Retention/Central Receiving

Office of Grant Administration	Project Director	Office of Grant Accounting
Administrative/Compliance oversight of grant programs	Day-to-day management of grant program and budget	Manage Fiscal responsibilities for grant
Work closely with Project Director to oversee implementation of appropriate start-up activities	Implement appropriate start-up activities	Review grant budget. Set-up project Account Codes and establish Account Numbers based on proposed budget
Collaborate with Project Director to evaluate structure of sub-recipient and contractor relationships and reporting requirements Secure AC approval and signatures on Grants, Subcontracts, Agreements, and relevant Memorandums of Understanding	Work directly with sub-recipients and contractors to establish requirements and timelines to accomplish grant goals and objectives. Collaborate with Grant Administration on development of sub recipient agreement or contract. Reviews invoices and supporting documentation related to these funds.	Review and process invoices related to sub-recipient and contractual funds.
Assist Project Director with obtaining AC grant approvals from funding source Maintain official copies of all AC grant approvals from funding source	Establish a relationship with funding source Program Officer	Establish a relationship with funding source Financial Officer
Answer Programmatic reporting questions related to allowability.	Manage Programmatic reporting data and monthly budget reports. Discuss discrepancies with Grant Administration & Grant Accounting.	Manage Fiscal reporting requirements and answer questions related to monthly budget reports (draw-downs)
Track and Assist with Programmatic reporting requirements. Review Programmatic reports before submission	Complete and Submit Programmatic/Narrative Reports; Ensure Fiscal Report submission by Grant Accounting	Track and assist with Fiscal Reporting requirements. Complete and submit Fiscal reports. Provide copy of Fiscal reporting requirements to Project Director.
Maintain copies of Grant Programmatic Reports	Provide copies of Programmatic and Fiscal reports to Offices of Grant Administration and Accounting	Maintain copies of Grant Fiscal Reports
Advise on coordination of Site Visits	Coordination of Site Visit	Advise on the coordination of Site Visits
Assist Project Director with the development of annual budget and review for allowability	Develop annual budget	Review and approve annual budget
Assist Project Director with forecasting Budget Spending Plan and projected expenditures Review Budget Spending Plan for allowability	Forecast Budget Spending Plan and projected expenditures	Provide current expenditure information to assist with forecasting Budget Spending Plan and projecting expenditures.

	Track Leverage, Matching Funds and In-Kind Contributions. Review invoices related to these funds.	Verify and secure Leverage, Matching Funds and In-Kind Contributions. Review and process invoices related to these funds.
Receive, review, and file completed Time and Effort Reports and backup documentation	Responsible for employees completing Time and Effort Reports and backup documentation. Responsible for approving grant employee Time and Effort Reports.	Generate Time and Effort and Payroll Reports for completion of budget journal entries
Assist Project Director with the development of programmatic grant modifications or requests. Review and approve any program changes or requests for Grant prior to submission to funding source	Complete requirements, as necessary, for programmatic and fiscal modifications to grants	Assist Project Director with the development of fiscal grant modifications or requests. Review and approve any fiscal changes or requests for Grant prior to submission to funding source
Determine course of action and help troubleshoot regarding Programmatic Reporting problems	Contact Office of Grant Administration and Grant Accounting with Programmatic and Fiscal Reporting problems	Determine course of action and help troubleshoot when Fiscal Reporting problems arise
Follow Funding Source Policies and Procedures	Follow Funding Source Policies and Procedures	Follow Funding Source Policies and Procedures
Assist with Program Close-out Procedures and reporting requirements	Complete Project on time and on Budget. Spend Down Budget to \$0, according to Budget Proposal, and Close Out Project	Assist with Fiscal Close-out procedures and submit final Financials for Project
Follow Amarillo College regulations, according to Human Resources and Accounting (e.g. 310 Form)	Follow Amarillo College regulations, according to Human Resources and Accounting (e.g. 310 Form)	Follow Amarillo College regulations, according to Human Resources and Accounting (e.g. 310 Form)

EFFECTIVE PROJECT MANAGEMENT

You need to be familiar with at least five essential documents as an AC Project Director. They include the following:

1. Original proposal submitted to the funding agency
2. Negotiated budget
3. Regulations for the grant
4. Notice of award
5. Operational budget for the project

A grant is an award of funds from a funding agency to AC to provide services or products within a limited time frame and often for a specific target population. The proposal, negotiated budget, regulations, and notice of award set the project parameters. The operational budget is used to set up the project's fiscal accounts in AC's accounting system (Colleague).

1. PROPOSAL

First, personnel who will be involved in implementing the grant need to review the proposal. The proposal will tell you why the project is needed, the intended outcomes, objectives, timelines, responsibilities of the various implementers, how the project will be evaluated, and how the funds are to be spent. The proposal provides the framework for managing your project. Since proposals are often completed six to nine months prior to the award, some things may have changed. You may have been awarded less funding than requested. The award process may have taken longer than expected, throwing off your implementation timetable. You will need to take these things into consideration when implementing the program. Be flexible!!!

Proposal Review Questions

- What are the starting and ending dates of the grant award? Do they coincide with the timeline included in the proposal?
- Which AC need generated the proposal? What is being done now to meet that need?
- How does this project fit into the overall AC environment? Is it part of an existing organizational unit or is it a separate entity? What other departments or colleges will it involve? If more than one college is involved, who are the contact people?
- What results have been promised to the funding agency? How will you demonstrate that these results have been achieved?
- What special populations (e.g. first-generation students, individuals with disabilities, unemployed, economically disadvantaged) will be served? How will participants be selected?
- What personnel are authorized in the grant and what are their responsibilities?
- What timelines exist for activities? When do activities need to start and end?
- What arrangements have been negotiated with outside organizations? What do these agreements mean? Do they need further clarification? Have the outside organizations been notified of the award? Will intergovernmental agreements or other kinds of contracts be necessary to implement the grant?
- Do you understand all of the technical jargon or special language used in the proposal? If not, refer to the funding regulations or find out the practices in the profession before proceeding.
- At what intervals are programmatic and fiscal reports required?

If you have additional questions about the project, there are a number of people who can be very helpful to you. The proposal writer and others involved in the writing can be extremely helpful in clarifying points, answering questions, and giving you background. Keep in mind that almost all proposals have a mandatory maximum length and it is impossible for the writing team to include everything in the proposal that you, as an implementer, might want to know.

2. NEGOTIATED BUDGET

Frequently, the amount of award is less than the amount requested in the proposal. On rare occasions the amount is even increased. Typically the funding agency calls with a total dollar figure it is willing to award; and sometimes the agency also specifies what it wants cut in the proposal budget.

A decrease in funds may result in the loss of personnel and the elimination or modification of one or more objectives. Once the negotiated budget is returned to the funding agency for approval, it may be accompanied by revised objectives, activities, and/or timelines if the cuts are significant. This negotiated budget then becomes the official project budget.

It should be mentioned that in rare instances, the funding award may be so drastically reduced from the amount requested that the college can no longer undertake the project and has to decline the award.

The budget may also contain a column for local match or leveraged funds. This means that AC or other grant participants have agreed to contribute funds or other resources to the project. Close attention needs to be paid to the match/leveraged funds as well as the rest of the budget since these dollars also must be documented and reported to the funding agency.

Negotiated Budget Review Questions

- Have activity timelines and objectives changed?
- What costs have been eliminated or significantly reduced and what impact will these changes have on the successful implementation of the project?
- What amounts are required for matching/leverage? Where will the matching or leveraged funds come from? How will you document the match?

3. REGULATIONS FOR THE GRANT

Grants from federal and state sources operate under regulations published in the Federal Register and reproduced in the application package for each grant. Some of the proposal content will directly address regulations that govern the program (e.g. eligible participants, selection criteria, allowable costs and activities). In addition, some agencies may have regulations or policies that govern all their programs. For example, the U.S. Department of Education's General Administrative Regulations are included in a document better known as EDGAR. The National Science Foundation has a Proposal and Award Policies & Procedures Guide that should be used by all Project Directors and accountants dealing with NSF projects. Sometimes, grant regulations are attached to the letter of award. When reviewing grant regulations, get out your magnifying glass (they are written in very small print) and pay special attention to the following:

Regulations Review Questions

- What are the eligibility criteria for participation in this program?
- What activities are allowable? What activities are disallowed?
- Which costs are allowable and which are disallowable?
- What travel is authorized? Are there any limitations on out-of-state travel?
- Can consultants be hired? Is there a maximum daily rate of compensation for consultants?
- Can equipment be purchased? Are there any restrictions on equipment? Who owns the equipment?
- Are there any special guidelines to be followed in procurement?

It is very important that all projects be operated in accordance with governing regulations. Being familiar with regulations and abiding by them should help you avoid disallowable expenditures or serving ineligible individuals which may result in disallowed/unrecovered costs. If you have any questions about whether a proposed expenditure is allowable according to the regulations or according to AC policy, please contact the Office of Grant Administration.

4. NOTICE OF AWARD

While you may receive a phone call or e-mail informing you that your proposal has been funded, the notice (or letter) of award is the **official** notice that assures the college the grant/contract has been funded. The notice will contain a grant number, project start and end date, and amount awarded. It may also contain any limitations imposed upon the grant, reporting requirements, and the name and phone number of the funding agency Program Officer overseeing the grant. The notice may be followed by a separate contract. If not, the proposal becomes the contract of performance.

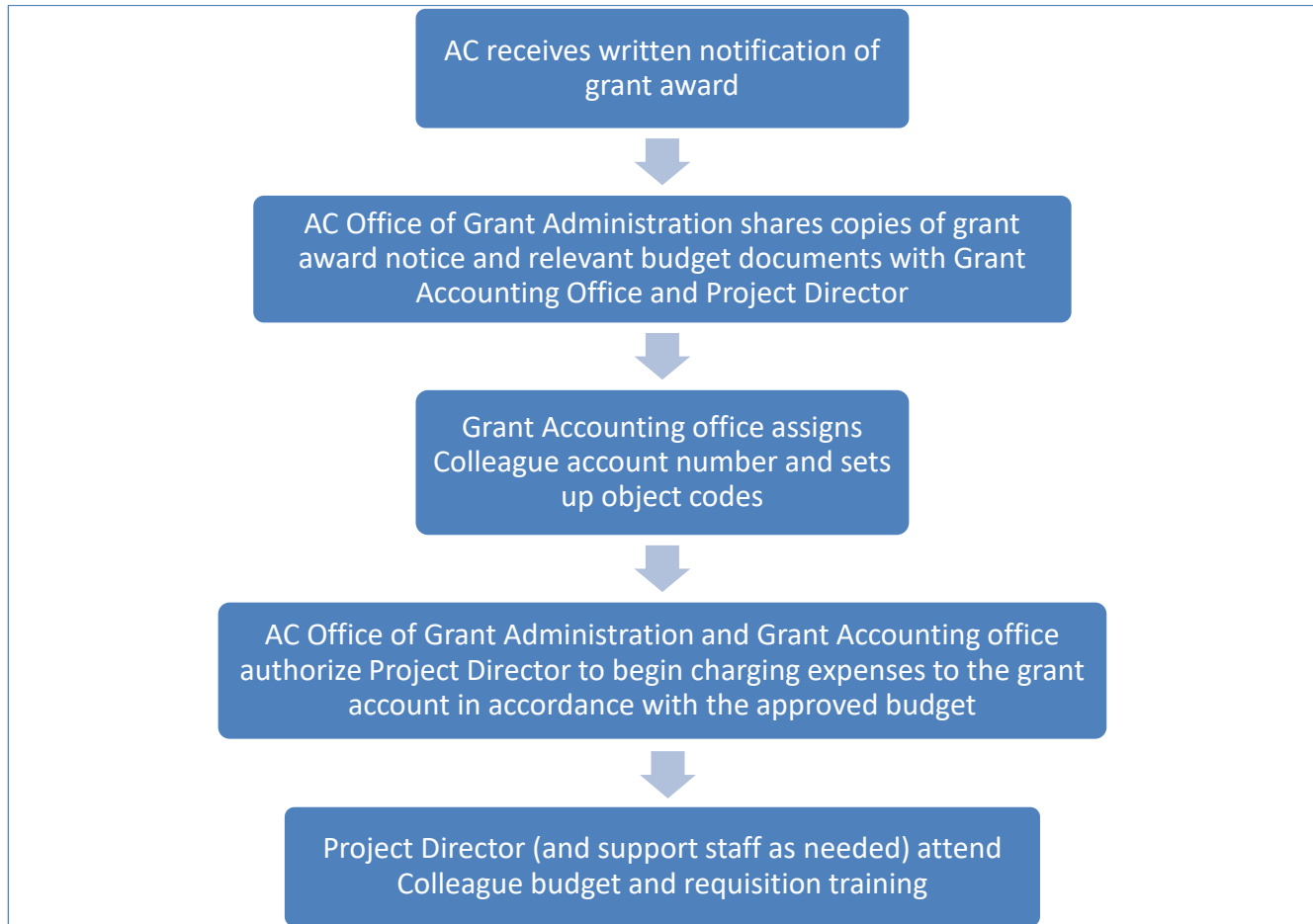
Notice of Award Questions

- What was the amount of award? How does it differ from the original amount requested?
- What is the project start and end date? Does this differ from the original proposal?
- What is the grant award number? (You will have to use this number in future reports to the funding agency.)
- Did the notice and attachments contain any limitations on the grant or reporting requirements?
- What is the name and phone number of the Program Officer?
- What is the grant identification Catalog of Federal Domestic Assistance number (CFDA#)?

5. OPERATIONAL BUDGET

Each grant has its own Amarillo College operational budget set up in accordance with AC policy and funding agency guidelines, which prohibit the co-mingling of funds and facilitate audits. The disbursement of grant monies is in the hands of the AC Grant Accounting Office which processes grant expenditures submitted by the Project Director. As Project Director, you will approve all grant expenditures.

Process for setting up a new grant operating budget



MANAGING THE MONEY

Grant funds allow colleges to accomplish things with external funds that they would do with operational funds if sufficient resources were available. Grant funds are used to meet strategic goals, improve instruction, and develop and provide programs for at-risk students. They supplement and complement existing college resources. Some grants provide startup funds for projects designed to meet college goals as well as funding agency goals. Proposals are planned so that they are consistent with our mission, goals, and objectives.

One of the hallmarks of an excellent Project Director is paying as close attention to the financial aspects of the grant as to the program. Both require careful monitoring if the total project is to be successful. Meeting the program objectives and client needs is only half the job. As Project Director/Manager, you will be held responsible for managing both the program and the budget.

If you are like most Project Directors, you understand that you are responsible for accomplishing the grant's goals and were selected for your programmatic expertise. However, you may be less comfortable with your fiscal responsibilities. You may have the perception that "some accountant somewhere is supposed to handle it."

As Project Director, your fiscal responsibilities include:

- authorizing only those expenditures which are reasonable and necessary to accomplish the project goals
- spending no more than the amount authorized by the funding agency for the project period
- adhering to funding agency limitations on the amount of money that may be spent in any single budget category
- incurring costs only for goods or services that will be used or received during the project period
- charging project costs directly to the account set up for the project (thereby avoiding cost transfers)
- documenting cost share and matching commitments

One of the quickest and easiest ways to check on the progress of a grant is to compare the percentage of time elapsed in the grant period with the percentage of total budget spent. For example, if 80% of the grant period has expired, and only 30% of the money is spent, the grant is in **serious** trouble. First of all, the college is likely to have to return a significant portion of unspent monies to the funding source. Secondly, the objectives of the program are apparently not being met. Often, the discrepancy indicates that expenditures are not being charged to the proper grant account. **This means that the college is expending operational dollars on a project which should be paid for by external funds.**

Basic Cost Principles for Grantees

Allowable Costs

The Uniform Grant Guidance (or UGG, located at 2 CFR Part 200) establishes “federal cost principles” for all grantees, including educational institutions like Amarillo College. The cost principles within the UGG are the basic guidelines describing permissible ways federal funds may be spent.

The general principles in the UGG state that for costs to be allowable, they must:

- Be necessary and reasonable for the performance of the Federal award and be allocable thereto under the UGG principles.
- Conform to any limitations or exclusions set forth in the UGG principles or in the Federal 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 non-Federal entity.
- Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal 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.

See 2 CFR Part 200, Section 403 for more information on allowable costs.

What is “Reasonable, Allocable, and Necessary”?

Costs must be reasonable (meaning that, for example, sound business practices were followed, and purchases were comparable to market prices);

*A cost may be considered **reasonable** if the nature of the goods or services acquired or applied, and the amount involved reflect the action that a prudent person would have taken under the circumstances prevailing at the time the decision to incur the cost was made.*

See 2 CFR Part 200.404 for more information.

Costs must be allocable to a particular Federal award (meaning that the goods or services involved are chargeable or assignable to that Federal award or cost objective in accordance with relative benefits received);

For example, if 50% of an instructor’s salary is paid with Perkins grant funds, then that instructor must spend at least 50% of his or her time working on a Perkins program.

See 2 CFR Part 200.405 for more information.

Costs must be necessary to fulfill the objectives of the Federal award;

One way Amarillo College determines if a cost is necessary is at the time of the grant proposal submission. AC submits a budget as part of the grant proposal document containing the personnel, travel, equipment, supplies, and renovations that would be necessary to fulfill the objectives of the grant if AC were awarded the grant.

Upon the grant’s award to AC, this same determination of a “necessary” cost lies with the Project Director and other relevant internal AC staff for the remainder of the award period.

Selected Items of Cost

The UGG (in 2 CFR Part 200, Subpart E) provides cost principles that AC must apply when determining whether 56 specific costs are allowable. **Not all specific costs listed in the following table are allowable.** The Project Director, Office of Grant Administration, and other relevant AC staff must check all costs against these requirements to ensure the cost is allowable.

The list in 2 CFR, Part 200. Sections 421 - 476 includes the following (in alphabetical order):

200.421. Advertising and public relations costs	200.449. Interest
200.422. Advisory councils	200.450. Lobbying
200.423. Alcoholic beverages	200.451. Losses on other awards or contracts
200.424. Alumni/ae activities	200.452. Maintenance and repair costs
200.425. Audit services	200.453. Materials and supplies costs, including costs of computing devices
200.426. Bad debts	200.454. Memberships, subscriptions, and professional activity costs
200.427. Bonding costs	200.455. Organization costs
200.428. Collections of improper payments	200.456. Participant support costs
200.429. Commencement and convocation costs	200.457. Plant and security costs
200.430. Compensation – personal services	200.458. Pre-award costs
200.431. Compensation – fringe benefits	200.459. Professional service costs

200.432. Conferences	200.460. Proposal costs
200.433. Contingency provisions	200.461. Publication and printing costs
200.434. Contributions and donations	200.462. Rearrangement and reconversion costs
200.435. Defense and prosecution of criminal and civil proceedings, claims, appeals, and patent infringements	200.463. Recruiting costs
200.436. Depreciation	200.464. Relocation costs of employees
200.437. Employee health and welfare costs	200.465. Rental costs of buildings and equipment
200.438. Entertainment costs	200.466. Scholarships and student aid costs
200.439. Equipment and other capital expenditures	200.467. Selling and marketing costs
200.440. Exchange rates	200.468. Specialized service facilities
200.441. Fines, penalties, damages and other settlements	200.469. Student activity costs
200.442. Fund raising and investment management costs	200.470. Taxes (including Value Added Tax)
200.443. Gains and losses on disposition of depreciable assets	200.471. Telecommunication costs and video surveillance costs (new – August 2020)
200.444. General costs of government	200.472. Termination costs
200.445. Goods and services for personal use	200.473. Training and education costs
200.446. Idle facilities and idle capacity	200.474. Transportation costs
200.447. Insurance and indemnification	200.475. Travel costs
200.448. Intellectual property	200.476. Trustees

In addition to these overarching federal requirements for allowable costs listed in the UGG, many of AC's grant awards contain additional program-specific requirements that must be met and certain policies and procedures that must be followed in order for a cost to be allowable to charge to the grant program.

As Project Director, you will need to consult your grant award notice, proposal/statement of work, and program-specific guidance for more information on determination of allowable costs for your particular grant program.

Budget Management/Monitoring

The first grant budget report should be reviewed carefully to check the accuracy of the account object codes and amounts. At AC, cost categories are identified by object code and title in the Colleague system. Subsequent budget reports should be reviewed line item by line item to be certain charges are properly posted to the account. The revised budget is the current budget and may differ from the original budget as a result of budget modifications approved by the funding source.

The budget should be monitored by line item (object code). The objective is **not** to exceed the budget allowed for each object code. It is **not** sufficient to manage a budget so that the total expenditures do not exceed the total available. Be sure to reconcile your expenditures to the financial records.

Here are some other important things to keep in mind as you review your budget:

- **Review your budget line by line.** Pay particular attention to salary line items, especially if a salary is coming out of more than one account. The computer error may take it all out of one account.

Indirect costs are charged to the account periodically and at the end of a fiscal year by the Grant Accountants, so do not transfer budget funds out of that object code to use for something else.

- To analyze how your project is doing fiscally, **periodically prepare a budget report for yourself** comparing the percentage of the budget that has been expended to the percentage of the grant that has expired. There may be justifiable reasons for a discrepancy between the two, caused by such things as major equipment purchase and the timing and cost of major grant activities. More commonly, however, major discrepancies usually indicate that the program is either not being implemented on schedule or expenditures are being charged to the wrong account. To prevent this, your account number should be listed on all requisitions to assure that the expenditures are charged to the proper accounts.

Don't Supplant -- It's Illegal!

Supplanting internal funds with external funds is **ILLEGAL!** You cannot use external funds to pay for ongoing activities already budgeted or for the usual activities assigned to a position. For example, grant funds cannot be used to pay the salary of an English faculty member to teach a regularly scheduled credit course. However, grant funds could be used, if authorized in the proposal, to provide new specialized English classes for at-risk populations. If David Letterman had a Top Ten List for ways to get in trouble with grants, supplanting would head the list. **Don't do it!** If you are uncertain about whether a situation qualifies as supplanting, consult with the Grant Administration Coordinators.

TIME AND EFFORT

“Time and Effort” -- words near and dear to the heart of every AC Project Director.

- If any portion of an individual's time is spent working for a grant project and any portion of his or her salary is being paid with grant funds, the time worked for the grant needs to be recorded on a Monthly Time and Effort Report.
- Whether we like it or not, current training for auditors advises them to look for such records to document time and effort spent on a project.

Did you know?

At AC, Time and Effort is actually a four-step process:

- o **Step One** – Ensure thorough backup documentation for every grant/contract employee.

This important step cannot happen without the diligence of all grant employees, but *especially* Project Directors. Backup documentation must be specific enough to adequately justify the time spent working on your grant/contract. In the case of an audit or monitoring visit, federal auditors will want to make sure that your employees' backup documentation is detailed and that your documented time matches your submitted monthly time and effort reports.

As a Project Director, **you are responsible** for making sure that you and your staff are keeping adequate time and effort backup documentation in the case of an audit or monitoring visit.

Important Note: In 2011, AC's Office of Grants Compliance introduced a universal backup documentation template that is used by all AC grant employees who complete monthly Time and Effort. The **original** backup documentation form will be sent to the Federal & Private Grant Administration Coordinator. Project Directors and grant employees will keep a copy of the form for their own grant files.

o **Step Two** - Complete monthly Time and Effort reports based on backup documentation.

On the first business day of each month, the Federal & Private Grant Administration Coordinator sends a time and effort reminder e-mail to AC Project Directors. At that time, all grant employees need to complete the monthly Time and Effort Form for Employees located on the AC Connect website portal in the "Forms" section. The Time and Effort form should be completed based upon the employee's detailed backup documentation.

Time and Effort reports (or timesheets, if applicable) must be completed for every grant employee, every month. Even if an employee did not work for the grant during a specific month, the employee still must complete a time and effort form showing "zero" grant hours as well as his/her institutional hours worked. This applies to both part-time and full-time employees.

o **Step Three** – Compile spreadsheet of actual hours worked/Reconcile with Payroll

Once all monthly Time and Effort reports are received and compiled into a spreadsheet, the Grant Administration Coordinator sends the spreadsheet to the Grant Accounting Office. The actual grant and institutional hours worked are compared with Payroll records for the month (which are based on the pay percentage split listed on the employee's 310 personnel form).

During most months, an employee's actual grant and departmental hours worked differs from the pay split listed on his/her 310 personnel form. **This is not a bad thing.** In fact, from an auditor's standpoint, an employee whose Time and Effort reports *always* match his 310 pay split appears much more suspicious ("red flag") than those employees whose grant time percentage fluctuates throughout the fiscal year.

This auditor "red flag" is why it is very important for all grant employees to report the grant and departmental hours that they actually worked during the month instead of reporting the pay split listed on their 310 personnel form.

o **Step Four** – Time and Effort quarterly adjusting entries made by Grant Accounting Office

Quarterly adjusting entries are made for every grant employee in order to reconcile the actual hours worked for the grant with the amount of grant funds expended for that quarter. The subject of T&E quarterly adjusting entries is addressed further in the next section.

Special Note: AC Time and Effort Quarterly Adjusting Entries

AC's Grant Accounting Office makes Time and Effort quarterly adjustment entries for AC's grants.

These adjustment entries are based upon the difference between an employee's actual grant and departmental hours worked (as listed on the submitted Time and Effort forms) and the employee's designated pay percentage split (as listed on the employee's 310 personnel form).

- Quarterly adjusting entries to **salary** will show up on your grant/contract budget in the same account that the employee was originally paid from (Administrative, Faculty, or Classified).
- Quarterly adjusting entries to **fringe benefits** will show up on your grant/contract budget in an account called "Time and Effort Fringe Clearing".

Employee A example:

Q. Employee A's 310 form has her pay split listed as 50% grant, 50% institutional. During 1st quarter FY2021 (Sept – Nov), Employee A actually worked 55% percent of her time for the grant and 45% of her time for AC. What will happen?

A. In order to appropriately charge the grant for the hours worked, the Grant Accounting Office will move salary and fringe benefit expenses **from** the employee's AC departmental account **into** the grant. The grant will be charged for 55% of the employee's wages for the 1st quarter of FY2021.

Employee B example:

Q. Employee B's 310 form has his pay split listed as 80% grant, 20% institutional. During 1st quarter FY2021 (Sept – Nov), Employee B actually worked 75% of his time for the grant and 25% of his time for AC. What will happen?

A. In order to appropriately charge the grant for the hours worked, the Grant Accounting Office will move salary and fringe benefit expenses **from** the grant **into** the employee's AC departmental account. The grant will only be charged for 75% of the employee's wages for the 1st quarter of FY2021.

Most importantly, **both of the above situations are acceptable**. It is anticipated that an employee's actual percentage of time worked for the grant will fluctuate from quarter to quarter.

However, as a Project Director you should be concerned when:

- o You notice significantly large adjustment entries for a single employee for more than one quarter. If large adjustment entries are continually needed, the employee's 310 may need to be redone so that the grant/institutional pay split more closely reflects the actual hours worked.
- o You see Time and Effort adjustment entries that raise any questions for you (i.e. wrong account number, particularly large amount of funds moved). If you have any questions about an adjusting entry, please ask the Grant Administration Coordinator.

AC RESOURCES

As a Project Director, you know you will be working closely with AC's Office of Grant Administration. However, you will find there are many other important areas of the College that are essential to successful grant management!

The next few pages of this handbook will provide a brief overview of the office policies and personnel that will be helpful resources, including Grant Accounting, Fixed Asset and IT inventory, Records Retention/Central Receiving, and Purchasing.

Grant Accounting

Austin Rios, Grant Accountant

Tiffani Crosley, Associate Vice President of Business Affairs

Did you know?

Amarillo College's Office of Grant Accounting has included specific policies and procedures within the AC Accounting Manual that apply to all of AC's restricted (grant and contract) funds. The following are important excerpts from the Accounting Manual that all grant Project Directors need to know.

What are restricted funds?

Restricted funds are funds on which restrictions as to how they may be expended have been imposed by outside agencies. Outside agencies are to be distinguished from the College's Board of Regents which would be considered an internal agency. A federal government grant would be an example of a restricted fund.

- The college's preferred policy is that all grants be handled on a **reimbursement basis**. In other words, funds are not requested from the funding agency until after an expenditure is made.
- All grant financial reports will be submitted in a timely manner. All financial reports are approved by the preparer's immediate supervisor.

Amarillo College Accounting Manual III: B, Section 2

Requisitions and Purchase Orders:

For restricted (grant) accounts, all requisitions must be approved by the Offices of Grant Administration and Grant Accounting to ensure that all requirements for the grant are met.

Once approved, the requisitions are pulled over in the Purchasing department to create Purchase Orders.

Purchase Orders are required to be generated via the Ellucian Colleague system. Exceptions to this procedure, along with procedures on the Colleague requisition process, are cited in the Accounts Payable Policy and Procedures Manual.

Amarillo College Accounting Manual V: B, Section 1

Note: For specific responsibilities of the Grant Accounting Office, please refer back to pages 5 and 6 of this handbook.

Inventory - Fixed Assets and Information Technology (IT)

Shannon Gonzales, Fixed Asset Accountant
Carol Bevel, Controller

Shane Hepler, Chief Information Officer
Ellen Patterson, Executive Secretary, Information Technology division

Did you know?

AC defines **Capital Equipment** as any item with a useful life of 2 years or more with a unit cost of \$5,000 or more.

AC defines **Non-Capitalized Equipment** as any item with a useful life of 2 years or more and a cost between \$1,000 and \$5,000 (cost between \$500 and \$5,000 for computers and computer-related hardware; cost between \$1,000 and \$5,000 for computer software).

All fixed assets and IT equipment (grant/contract or institutionally purchased) are tagged with a blue AC inventory tag.

In addition to the AC inventory tag, some equipment items purchased by specific grants (i.e. Perkins, Title III, and Title V) include an extra required tag indicating they have been specifically purchased with these grants' funds.

Fixed Asset Inventory

AC's Fixed Asset Accountant tracks every fixed asset purchased with institutional and grant/contract dollars in a detailed database. Fixed assets are defined as individual items with a purchase price of \$1,000 or more, with the exception of computer equipment. The minimum limit for tagging and tracking of computer equipment in the fixed asset system is \$5,000. When items are received at Washington Street Campus, the Central Receiving department notifies the Fixed Asset Accountant and the items are tagged with a numbered AC inventory tag. Items that are shipped directly to other campuses are tagged on-site soon after they are received at the campus.

Information Technology (IT) Inventory

AC's Information Technology Services (ITS) Division is responsible for tracking **all** IT equipment purchased with grant/contract and institutional dollars. All IT equipment is tracked and categorized in a detailed electronic database.

What can Project Directors do to help streamline the inventory process?

- In the "Comments" section of all equipment and technology requisitions and purchase orders, designate which grant is purchasing the equipment (i.e. "This is a Perkins Basic requisition" or "Equipment purchased with Title V funds").

- Many AC Project Directors do this already; and including this information on the requisition will help AC's Fixed Asset Accountant and ITS Division identify those assets that will need special tags.
- On all equipment and technology requisitions and purchase orders, be sure to include the campus where the item will be *shipped* as well as the AC building and room number where the item will be *permanently housed*.
 - Including this information will ensure proper distribution and easy location of the equipment for Central Receiving and inventory specialists.

Transfer and Disposal of Grant-Funded Fixed Assets and IT Equipment:

Specific UGG guidelines and sometimes program-specific guidelines apply when transferring or disposing grant-funded fixed assets or IT equipment. There is also a strict hierarchy of distribution that must be followed if these grant-funded equipment items still have useful life. Please contact the Office of Grant Administration for more information about this process.

Final Note – Inventory Tracking: As a Project Director, you are responsible for maintaining an inventory list that tracks your own grant-funded equipment and supply purchases.

In FY2016, a universal inventory tracking spreadsheet in Microsoft Excel format was created by Grant Administration and distributed to AC Project Directors to assist with tracking grant-funded purchases. This tracking spreadsheet must include information for the following items:

- *All non-technology-related tagged assets with a unit cost of \$1,000 or more.* Remember that these assets are considered **equipment** by AC's policies.
- *All technology-related tagged assets with a unit cost of \$500 or more.* These assets are considered taggable and trackable **equipment** by AC's IT department.

Information tracked on the grant-specific inventory list includes the following: GL account number(s) that purchased the item, name of grant project, AC asset tag number, item description, model number, vendor, requisition number, purchase order number, purchase date, cost of item, percentage of cost funded by grant, usage status, primary user, location by building and room number, date of last inventory check by grant staff person, and other notes.

Records Retention

Michael Jager, Records Retention/Central Receiving Specialist

Did you know?

AC's policies for records management and records retention differ with each area of the college. AC's Records Retention Schedule for grants and contracts can be found on the Public (P:) drive.

How long should grant reports and similar records be retained?

- AC's fiscal year is September 1 through August 31.
- Financial, performance and compliance reports submitted to grant or subgrantor agencies need to be kept 5 years after the fiscal year end of the date of the resolution of the final audit performed on the grant.
- Supporting documentation for financial, performance, and compliance reports submitted to grant or subgrantor agencies also needs to be kept 5 years after the fiscal year end of the resolution of the final audit performed on the grant.
- In some cases, funding agencies may require a longer retention period for grant records.

Question: Grant ABC officially ended on July 31, 2014. AC's A-133 audit, which was performed on all grants active during 2014, was concluded and resolved on December 31, 2014 (FY2015). **When is the designated "destroy date" for Grant ABC's reports and supporting documentation?**

Answer: The ABC grant ended on July 31st of fiscal year 2014. This fiscal year ended on August 31, 2014. However, the final A-133 audit performed on this grant was not officially resolved until December 2014 (which is part of the 2015 fiscal year). The end date of fiscal year 2015 is 8/31/2015. Therefore, all ABC grant records need to be retained 5 years after 8/31/2015, making the end of the retention period 8/31/2020 and the earliest eligible destroy date 9/1/2020.

These retention requirements are important to know, especially for those Project Directors whose grants are either continuously funded (not just "one-time" projects like the DOL-TAACCT project) or can be resubmitted as a new award.

Purchasing and Procurement

Kimberly Carlile, Director of Purchasing
Maureen Hood, Purchasing Specialist

AC must follow strict internal purchasing guidelines and policies in order to comply with the State of Texas. In addition, federal and state grant-funded purchases must follow applicable requirements of the Uniform Grant Guidance (UGG). **All** Project Directors should be familiar with these procurement procedures, but especially if:

- your grant requires frequent purchases using Colleague requisitions or other methods of payment
- your grant regularly purchases expensive equipment items

AC is required to make all purchases within the laws and guidelines established by the State of Texas as well as the internal guidelines AC has initiated.

Compliance with UGG requirements

It is no secret that one of the biggest changes AC has had to make to ensure compliance with UGG requirements is in the area of procurement. Purchasing and procurement changes under the UGG requirements began with the FY2016 grant award year for AC's grant programs.

The Purchasing Guidelines manual has recently been updated to reflect changes and updates in UGG requirements. To align with UGG requirements, the following are guidelines that the AC Purchasing Office follows for AC's federal and state grant purchases.

NEW UNIFORM GRANT GUIDANCE GUIDELINES FOR PURCHASING

Methods of procurement to be followed:

- 1. Micro Purchases – less than \$10,000, single source process, no bids required, but expenditures must be spread around.**
- 2. Small Purchases – between \$10,000-\$250,000, quotations required.**
- 3. Sealed Bids - Greater than \$250,000, formal advertising and firm fixed price contract.**
- 4. Competitive Proposals - Greater than \$250,000, fixed price or cost reimbursement contract.**

Sole source (this is not the same as single source).

Must be justified in writing and must be supplied by a sole source vendor letter (on company letterhead) approved by Purchasing. A Purchase Justification Form will also be required for this type of purchase.

Any single or aggregate purchase greater than **\$10,000** must have three quotes accompanying the PO unless the College can show competitiveness on an awarded contract the College is able to participate (ex: DIR, Buy board, TCPN, E&I, etc.)

Any single or aggregate purchase greater than **\$50,000**, must be formally procured per Amarillo College procedures and state law, unless the College can show competitiveness on an awarded contract (ex: DIR, Buy board, TCPN, E&I, etc.)

Appendix A of the Purchasing Guidelines Manual also contains Amarillo College Procedures for Federally Funded Procurements. This section contains additional information regarding compliance with the Uniform Guidance, 2 CFR part 200 regulations.

General rules for AC purchases

NOTE: the following procedures should be used for general guidance only. Please direct any specific questions to the AC Purchasing department in order to assure compliance with AC policies.

Purchasing Thresholds - Total College-wide spend by vendor
\$0-\$9,999*

- Determine Need.
- Determine Expected Cost and available budget.

- Advertising not required.
- Competitive quote not required, but is considered best practice.
- Requisition:
 - Requesting Department shall submit an electronic requisition including a detailed description of the item to be purchased preferably including a SKU number on the requisition.
 - Approval of requisition by required personnel.
 - Purchasing Department will determine best cost/value and determine vendor with departmental assistance.
 - If lowest cost vendor is not selected, the purchase justification form should be submitted and signed by the department head and Director of Purchasing listing the reason for the decision and other items for consideration of value exceeding price differential.
 - Purchasing Department will determine shipping options.
 - Purchasing Department will place order.
 - Purchasing Department will alert Shipping and Receiving of the order to be received.
- Purchases using a credit card:
 - Must present tax exemption certificate.
 - If taxes are paid, the purchaser will reimburse the College.
 - Must include receipt on monthly-reconciled credit card statement.

**This would be a Micro Purchase if using federal grant funding less than \$10,000. Single source acceptable, but must be spread around; no additional steps are required.*

**Purchasing Thresholds - Total College-wide spend by vendor:
\$10,000-\$24,999***

The department must seek approval from department head to begin the process.

- Determine Need.
- Determine Expected Cost and available budget.
- Competitive quotes are required, including quotes from 3 vendors for identical products and may include substitute products.
 - Quotes to be submitted to Purchasing when requisition is submitted.
- Requisition:
 - Requesting Department shall submit an electronic requisition including a detailed description of the item to be purchased preferably including a SKU number should be included on the requisition.
 - Approval of requisition by required personnel.
 - Purchasing Department will determine best cost/value and determine vendor with departmental assistance.
 - If lowest cost vendor is not selected, the purchase justification form should be submitted and signed by the department head and director of purchasing listing the reason for the decision and other items for consideration of value exceeding price differential.
 - Purchasing Department will determine shipping options.
 - Purchasing Department will place order.
 - Purchasing Department will alert Shipping and Receiving of the order to be received.

**This would be considered a Small Purchase if using federal grant funding; no additional steps are required.*

Purchasing Thresholds - Total College-wide spend by vendor:

\$25,000-\$49,999*

Same as item above, with one exception: These purchases must be reported to the Board of Regents.

**This would be considered a Small Purchase if using federal grant funding; no additional steps are required.*

Purchasing Thresholds-Total College-wide spend by vendor:

\$50,000 or greater*

- Determine Need.
- Determine Expected Cost and available budget.
- Notify Purchasing no less than 30 days from Board meeting.
 - o Purchasing Department will select and create process for purchasing.
 - o Purchasing Department will create advertisement in local newspaper.
 - Advertisement must run once a week for at least two weeks before the deadline for receiving bids, proposals, or responses to a request for qualifications.
 - o Create a score sheet based on the RFP/RFQ requirements.
 - o Purchasing Department to receive submissions.
 - o Purchasing Department will complete a visual compliance check including debarment and certificate of good standing on all respondents.
 - o Purchasing Department will provide responses for vendor that meet visual compliance to Division submitting RFP/RFQ for committee review.
- Division hiring consultant shall:
 - o 15 days out – Select a Candidate Interview Committee;
 - o 15 days out – Committee determines qualified candidates;
 - o 15 days out – Committee interviews qualified candidates;
 - o 10 days out – Committee scores and selects order of candidates;
 - o Negotiation of fee if RFQ;
 - o Board Meeting Submission Date - Submit interviewed candidate list and anonymous scores from Committee members to President's assistant for inclusion in the Board agenda;
 - o Submit Contract Price/Cost; and,
 - o Board Meeting – representative of Candidate Interview Committee shall present the Committee's anonymous scores and recommendations for consideration by Board of Regents and selection of candidate.
- Board shall vote to approve award of contract.
- President or VPBA shall sign consultant contract.
 - o Copies of contracts to be sent and stored in the VPBA office and Purchasing Department.
- Purchasing Department shall provide written notice to the Legislative Budget Board (LBB) of contract for professional services, including modification, renewal, or extension of contracts that exceed \$14,000.00 no later than the 10th day after the date the College enters into the contract. See *Texas Gov. Code §2254.006*

**Even though Grant Guidelines do not require formal bidding for purchases over \$50,000, Amarillo College guidelines and state procurement laws will apply. For any single or aggregate purchase greater than \$50,000, a formal procurement process will be followed.*

Procurement Justification Form

Due to the nature of certain goods and services, competition is not always possible. A procurement justification form should be used for any order that is being deemed sole source, an emergency, professional services and/or best value purchase. This form must be sent to the Purchasing Department along with any quotes, emails, or paperwork related to the purchase. The Purchasing Department will use this form to verify and confirm that the factors used to determine that the purchasing method selected follows applicable policies and procedures, including:

- Purchasing Authority SOS FA.1.16;
- Texas Education Code §51.9335 (Best Value);
- Texas Government Code §2155.067 (Sole Source (Proprietary Purchases));
- Texas Government Code §2155.137 (Emergency Purchases); and,
- Texas Government Code §2254 (Professional Services).

This form can be found on the www.actx.edu AC Connect page under Forms under the Purchasing Tab.

Sole Source Procedures

A Sole Source purchase exists when research has determined there is only one potential provider for an item or service. To be a bona fide exemption to the Texas Education Code purchasing law requirements, there must be no other like items available for purchase that would serve the same purpose or function, and only one price for the product because of exclusive distribution or marketing rights. The fact that a particular item is covered by a patent or copyright is but one factor in determining if the purchase falls under the sole source exemption to the purchase requirements. (*Tex. Educ. Code §44.031(j)(1)*). The purchase of an item/service could be considered a sole source procurement when one of the following circumstances exists:

Patent, Copyright, Secret Process or Monopoly: Identification and confirmation that competition in providing the item or service to be purchased is precluded by the existence of a patent, copyright, secret process or monopoly. Not all items or services that have a patent, copyright or secret process are considered sole source. There may be other products that can provide the same purpose and/or function without infringing on the copyright, patent or secret process.

Availability/One of a Kind: No competitive product exists or is available from another source.

Compatibility: Must match or be compatible with an existing piece or brand of equipment and is available from only one source.

Standardization: Equipment has been standardized to provide consistency in training across the College and the standardized product is only available from one source.

Educational Discounts: An educational discount is offered by the manufacturer of the product or service and no distributors are able to offer the same discounted price. In some cases, the manufacturer may designate one of their distributors to offer educational discounts that no other distributor can offer.

Investment in Existing Equipment: Often times, the College has made a substantial investment in equipment (often times this is software, such as Colleague) from one provider and to switch to another provider would be more costly.

If you have questions regarding Sole Source vendors, procedures, and necessary documentation, please contact **Kimberly Carlile** or **Maureen Hood**.

Purchases **Prohibited** by AC Policy

- College guidelines do not permit the purchase of such items as lamps, pen sets, briefcases, flower vases, desk pads, paintings, graphics, or other such appointments. These and such other items are not provided by Amarillo College funds, but are considered personal items.
- Amarillo College letterhead should not be used for ordering personal items to be paid for by individuals. When letterhead is used, the vendor will invoice Amarillo College rather than the individual with resulting time consuming and expensive correspondence.
- Because of the tax exempt status of the College, the Purchasing Department cannot issue purchase orders for personal purchases, nor does it become involved in personal purchasing negotiations. Purchasing will be happy to suggest possible sources that may offer a discount.

Special Note: Integrity in the Procurement Process and Suspension and Debarment

Amarillo College shall maintain the integrity of the procurement process. In order to do this, the College must follow various laws when purchasing goods and services that sometimes requires making determinations regarding the suitability of a prospective vendor. In addition to applicable provisions of the Texas Education Code and federal regulations, this includes purchases subject to the following:

1. Chapter 252 including §252.043 Texas Local Government for competitive sealed bids requiring that an award of contract be to the lowest *responsible* bidder or to the bidder who provides *best value, including reputation of the bidder and of the bidder's goods and services*;
2. Chapter 252 including §252.042 Texas Local Government for request for proposals in determining vendors who are reasonably qualified to obtain the best final offer;
3. Chapter 2269 including §2269.055 Texas Government Code for improvements to real property allowing the College to consider such matters including the *experience and reputation, quality, personnel, financial capability and other relevant factors listed in the request for bids, proposals or qualifications, including criteria related to historically underutilized business and the use of women- or minority-owned, small or disadvantaged businesses*;
4. Applicable state and federal debarment rules and lists; and
5. Any purchase involving certain determinations as allowed or required by law, including anytime this guideline is explicitly referenced as being applicable.

Amarillo College utilizes a third party called E2Open which runs a real-time check of vendors through various federal government databases, including the System for Award Management website at <https://www.sam.gov>. Before awarding an RFP/RFQ to a vendor, a visual compliance restricted party screening will be done. If a purchase is over \$25,000.00, regardless of funding source, a visual compliance restricted party screening will be done as well.

Procedure for use of Procurement Cards - Restricted Funds

**Procedure updated August 2017 (and 2021) as a result of AC's new combined travel/procurement card option.*

Federal and State Grant Funds

No federal or state grants (21 and 22 accounts) may use a procurement card to purchase items unless all applicable prior approvals have been secured, due to Amarillo College internal control requirements.

The only exceptions for using a procurement card are:

- **For items that are not IT-related:** If a requisition has been created and fully approved for an item that is not IT-related and the vendor will only accept a credit card, Purchasing's OneCard (or, in special cases, a grant-authorized OneCard) can be used to complete the purchase.
- **For items that are IT-related:** If a requisition has been created and fully approved for an item that is IT-related and the vendor will only accept a credit card, IT's or Purchasing's OneCard can be used to complete the purchase.
- **For outside printing purchases:** Once a quote has been obtained from a vendor by Communications & Marketing and prior written approval has been secured via email from applicable personnel (*including, but not limited to: Project Director, AC Supervisor, Grant Administration and Grant Accounting*), Communications and Marketing's OneCard can be used to complete the purchase. Communications & Marketing will receive a copy of the full email chain and will attach it to the OneCard statement for proof of prior approval.

Note for federal and state grant funds: Any OneCard procurement expenses other than the exceptions outlined above will be charged to the grant's Amarillo College home department.

Local and Private Restricted Funds

In order to secure necessary approvals, the preferred method of purchase for local and private restricted funds (23 and 24 accounts) is a requisition/purchase order and this method should be used when possible.

However, in special circumstances, local and private fund managers may be permitted to use a procurement card if all required approvals have been secured via email in advance of the purchase.

If a procurement card is permitted for use for local or private restricted funds, prior written approval must be secured from the following personnel or offices (as applicable to the fund):

- *Grant Director*
- *AC Supervisor*
- *Grant Administration*
- *Grant Accounting*

Blanket Purchase Orders via Requisitions

Blanket purchase orders are issued upon submission of a requisition against an individual budget for a specific department. These orders are normally set up to be in effect over a specified period of time and are encumbered for a specific amount. For grant purposes, Project Directors can choose to create a blanket purchase order for office supplies or similar small purchases.

Important notes regarding Blanket Purchase Orders (BPOs)

- As a Project Director, it is your responsibility to verify that funds are available in the appropriate budget line item **before** creating a BPO.

- For all grant/contract purchases from restricted accounts via BPO, Project Directors must sign the green copy of the receipt from Purchasing. The signed receipt is required for auditing purposes and is AC's official record for the transaction.
- In addition to the Project Director, the green copies of all grant BPO receipts will be reviewed by the Grant Accounting office.

AC Information Technology Services

AC's Information Technology Services (ITS) must approve all technology related expenditures – regardless of funding source – **prior** to purchase.

- The only exception to this rule is the acceptable hardware purchases that are less than \$100.00 each: Thumb drives, USB hubs, cables, mice, keyboard

Per the *Purchasing Technology Policy* located in the “Forms and Policies” section on the AC website, **Technology Related Expenditures** are defined as follows:

All technology systems, audio-video systems, computer systems, software, network printers, projectors, and/or peripherals that attach to the computer system (secondary monitors, scanners, plotters, etc.) and/or the AC network (antenna, routers, switches, etc.) that cost \$100.00 or more.

- **Technology Systems:** Includes a total unit comprised of components necessary to perform an operation. *Example: Clickers*
- **Audio-Video Systems:** Includes all projectors, remote controls, document cameras, motion-video capture devices, controllers, DVD players, televisions, or systems that aggregate signals for a variety of sources.
- **Computer Systems:** Includes the CPU, monitor, keyboard, mouse and all cabling.

Approval for technology related expenditures must be requested via a **Hardware/Software Request Form**, which is located in the “Forms and Policies” section on the AC Connect website. The purpose of this form is to request hardware or new software or additional licenses for existing software.

For more information regarding guidelines and policies, please contact Ellen Patterson, Executive Secretary of the IT Division at 371-5409.

REPORTS

The Project Director will prepare narrative reports; however, the Grant Administration Office will need to review the reports before they are submitted. Some agencies want these reports submitted electronically (i.e. NSF/Research.gov). Check with your Grant Accountants for the financial part of the report. Formal reports to the funding agency are generally due ninety days after the close of a federal grant and sometimes at mid-year. State and private funds reporting requirements will vary.

Evaluation reports are required for most grants. Meeting deadline dates is critical. Failure to meet deadlines can have a serious impact on future funding possibilities. It is always a good idea to review the evaluation plan and reporting requirements at the beginning of the project so that you can plan ahead and collect all the information and data needed to evaluate the project. Check in the grant application and in documents such as attachments to the award letter and agency grant procedure manuals to determine what will be required. This is also a good topic to discuss with the granting agency program officer since there may be a form or format that the agency wants followed.

The Office of Grant Administration will send you an email reminder when your quarterly/annual reports are due. The Office of Institutional Research should be contacted ahead of time if institutional data is needed for the submission of your quarterly/annual reports.

Reports should conform to funding agency guidelines and use technical writing manuscript standards. A report narrative will usually require responses to each proposed outcome. Comments should be substantiated with evaluation data and statistics. Outcomes which are not accomplished should be explained. Report forms may also include charts or other numerical reports pertaining to students, clients, audience, and delivery of services.

Financial reports are prepared by AC's Grant Accounting Office. Information will be requested from the Project Director as needed by that office. The Grant Accountants will report on the budget expended to date and on in-kind match dollars. You will need to maintain documentation on the in-kind match dollars. Be sure to discuss fiscal reporting requirements and documentation of the in-kind match dollars with the Grant Accountants early in the life of the grant. You will also need to find out what happens to unexpended dollars. One question you will need answered is as follows: "Can the unexpended dollars be rolled into next year's program?" Be sure to obtain written documentation of the funding agency's response for unexpended dollars' usage for your files.

Final Reports (both programmatic and fiscal) are the responsibility of the Project Director before reassignment to other duties or termination of the grant. The Grant Accountants will provide the Project Director with a copy of fiscal reports sent to the funding agency.

Copies of submitted narrative reports **MUST** be sent to the Office of Grant Administration.

AUDITS AND MONITORING VISITS

Did you know?

AC's Single (A-133) Audit:

- Amarillo College expends more than \$750,000.⁰⁰ in federal funds annually - a threshold set by the Office of Management and Budget (OMB). Expending over \$750,000 in federal funds requires AC to have a Single Audit each fiscal year. AC's annual single audit is normally conducted in July.
- Auditors select which grants and contracts will be audited based on several key components including total dollar amount expended and risk factors. This explains why some of AC's largest grants are selected for single audit each year.
- As directed by the Uniform Grant Guidance (UGG) Subpart F – Audit Requirements and the August 2020 Compliance Supplement (2 CFR Part 200, Appendix XI), auditors focus on as many as twelve specific areas when conducting a single audit.
 - Activities Allowed or Unallowed
 - Allowable Costs/Cost Principles
 - Cash Management
 - Eligibility
 - Equipment and Real Property Management
 - Matching, Level of Effort, Earmarking
 - Period of Performance
 - Procurement and Suspension and Debarment
 - Program Income
 - Reporting
 - Subrecipient Monitoring
 - Special Tests and Provisions
- AC's Office of Grant Administration focuses on these areas (as applicable) when providing project oversight for federal grants and contracts.

Single (A-133) Audit Process

AC's yearly Single Audit begins in the Business Office, which is where our auditors review grant financial statements, expenditures, and source documentation for these expenditures.

If your grant is selected for single audit, AC's auditors will want to visit with you (as Project Director) about specific programmatic and fiscal aspects of your project, including processes and program-specific requirements.

Effective January 1, 2014, auditor appointments with grant Project Directors will be scheduled through AC's Office of Grant Administration. Staff from this office will also be present in these single audit meetings.

External audits/site visits from grant funding agency

It is possible that during the life of your grant, your grant funding agency will conduct an on-site visit. **If you are notified of an upcoming agency monitoring visit, the first thing you should do is notify the Office of Grant Administration!** Please see the following checklist to help you get started on compiling materials needed for an on-site visit.

Amarillo College Office of Grant Administration Monitoring Visit Checklist for Project Directors

Monitoring Visit Checklist Items	Yes	No	Not Required	Comments
Monitoring visit agenda developed and completed				
Agenda distributed to monitoring agency				
Agenda distributed to all AC participants				
Grant informational binder/flash drive constructed *(Monitoring agency lead auditor will receive original)				
Copies of binder/flash drive constructed for:				
• Additional monitoring agency representatives				
• AC Project Director				
• AC Office of Grant Admin				
AC meeting rooms reserved and/or confirmed				
AC vehicles reserved for intercampus or offsite excursions				
Meeting dates, times, locations sent to all involved AC parties via calendar appointments				

HOTEL ARRANGEMENTS

In the case of a monitoring visit conducted by your grant's funding agency, you (as Project Director) may be asked to furnish a list of Amarillo hotels and contact information. If your Program Officer does not ask for a hotel list, it is a good idea to volunteer this information as a courtesy.

Hotels near Washington Street Campus:

Hotel	Address	Phone Number
Courtyard by Marriott/ Amarillo Downtown	724 S. Polk St.	(806) 553-4500
Embassy Suites Amarillo Downtown	550 S Buchanan St.	(806) 803-5500
Holiday Inn Express & Suites	2806 Wolflin Ave. (I-40, Exit 68-B)	(806) 322-3050

Hotels near West Campus:

Hotel	Address	Phone Number
Fairfield Inn & Suites by Marriott/Amarillo West	6600 I-40 West	(806) 351-0172
Residence Inn by Marriott	6700 I-40 West	(806) 354-2978
Hampton Inn/Amarillo West	6901 I-40 West	(806) 467-9997
SpringHill Suites by Marriott	2301 Cinema Dr.	(806) 381-3400
Homewood Suites By Hilton	8800 I-40 West	(806) 355-2222
Best Western Plus Medical Center Hotel	7410 W. Amarillo Blvd.	(806) 803-5000
Comfort Suites	12 Western Plaza Dr. in Western Crossing	(806) 367-8880

Consequences of Mismanagement

An important thing for Project Directors to remember is that **all grant project records are subject to internal or external audits**. Once Amarillo College has accepted a grant award, AC as awardee accepts formal, legal responsibility to follow the rules and regulations of the grant, including requirements stated in the original request for proposal, the notification of award, and any other supplemental documentation. Failure to comply with the terms and conditions could result in the following:

- AC could be labeled as a high-risk agency, which could result in suspension or termination of current grant projects, and/or impact AC's eligibility for future government grant funding (including student financial aid);
- Cash payments may be withheld until any given deficiency is corrected;
- All or part of the costs for a project activity or action that is not in compliance may be disallowed – meaning AC would have to reimburse the funding agency for disallowed costs;
- Further awards for the project may be withheld; and/or
- Other legal remedies may be imposed.

Additionally, the Project Director and AC may be debarred, suspended, or excluded from managing Federal awards and sub-awards for mismanagement or misuse.

As first mentioned in the *Purchasing and Procurement* section of this handbook, the U.S. General Services Administration maintains a list of organizations and individuals that have been debarred or suspended on the System for Award Management website at <https://www.sam.gov>.

CLOSING OUT

Finishing a grant project is just as important as starting one. In many cases, the way closeout procedures are handled, such as timely submission of final reports and the quality of those reports can have a direct effect on the chances for future funding.

There are seven areas of management that need particular attention at the close of a funded project: pre-closeout activities, budget, personnel, purchasing activities, files, final reports, and document storage.

Pre-Closeout meeting: Contact the Office of Grant Administration and schedule a close-out meeting **at least two months prior** to the end of the grant.

Budget: Review encumbrances and liquidate those no longer needed. Accounts will be closed soon after the grant's ending date so inform staff that no more changes can be made against the grant account.

Personnel: Complete termination paperwork for all staff and if required, payroll changes for staff members transferred to other cost centers or to the new grant number assigned to a continuing grant.

Purchasing activities: Make sure all goods and services have been received prior to the end of the grant although payment may occur soon after the end of the grant. Make arrangements for transfer, removal, or reassignment of the telephones. Check and reconcile bookstore charges. Match equipment purchases with requisitions and check receipt of items.

Grant files: Review grant documents, personnel records, purchase orders and requisitions, and budget records, including necessary documentation for changes. A general sprucing up is usually in order after the last burst of grant activity. Remember, auditors are the ones who may next be burrowing through these documents.

Final reports: Covered under "Reports" section of this handbook.

Document storage: Arrange for appropriate **storage** of grant/contract files if the project is not a continuing one or if a logical responsible party to the files is not on the horizon.

Other Important Closeout Notes

Do not make unusual expenditures at the end of the project. Purchases of supplies or equipment may be disallowed by auditors if they occur too late in the program to be legitimately needed by the project, e.g. **supplanting**.

Double and triple check **all publications** to be certain that the funding source is credited before printing is approved.

Check with the Office of Grant Administration to verify that they have copies of all documents (e.g. programmatic reports).

Closeout Checklist

There are seven areas of management that need particular attention at the close of a funded project: pre-closeout activities, budget, personnel, purchasing activities, files, final reports, and document storage.

Pre-Closeout activities:

- ☐ Date _____ Contact AC's Grant Administration Coordinator(s) and schedule a close-out meeting at least two months prior to the end of the grant.
- ☐ Date _____ Date set for closeout meeting

Budget:

- ☐ Date _____ Review encumbrances and liquidate those no longer needed.
- ☐ Date _____ Inform staff in writing that no more charges can be made against the grant account so that accounts may be closed soon after the grant's ending date.

Personnel:

- ☐ Date_____ Complete termination paperwork for all staff.
- ☐ Date_____ If required, complete payroll changes for staff members transferred to other cost centers or to the new grant number assigned to a continuing grant.

Purchasing activities:

- ☐ Date_____ Make sure all goods and services have been received prior to the end of the grant although payment may occur soon after the end of the grant.
- ☐ Date_____ Make arrangements for transfer, removal, or reassignment of the telephones.
- ☐ Date_____ Check and reconcile bookstore charges.
- ☐ Date_____ Match equipment purchases with requisitions and check receipt of items.

Document storage:

- ☐ Date_____ Review grant documents, personnel records, purchase orders and requisitions, and budget records, including necessary documentation for changes.
- ☐ Date_____ Make arrangements for retention of grant records and documentation (storage)
- ☐ Date_____ Submit a copy of final reports, both programmatic and fiscal, to the Office of Grant Administration.

General:

- ☐ Double and triple check **publications** to be certain that the funding source is credited before printing is approved.
- ☐ Do not make unusual expenditures at the end of the project. Purchases of supplies or equipment may be disallowed by auditors if they occur too late in the program to be legitimately needed by the project.

STAYING OUT OF HOT WATER

The following list of suggestions is based on "**true experience.**" It is included in this handbook for two reasons: 1) to prevent similar mishaps and 2) to provide guidelines for successful grants management. Questions regarding items on the list should be directed to the Office of Grant Administration.

Read your mail and email and follow up agreements and meetings with memos

Academic communities communicate in writing. Paper trails protect the grant, the Project Director, the Grant Accounting and Administration offices, and AC from misunderstood communications. Copy your Vice President, Dean or supervisor on email and keep hard copies of all important documents and correspondence.

Don't lobby. Don't support anything that is political. Don't entertain. Don't support religious activities

All of these interesting activities are strictly prohibited with external funds. That includes using staff time for any of these items. Support letters for legislation cannot come from project staff. Refreshments for receptions and any meals will have to come from AC operational funds.

Cultivate a "sixth sense" about improprieties

If any planned action causes hesitation or even a second thought, **check with the Grant Administration Coordinator**. In this case, permission is the best route. Forgiveness can be extremely expensive - personally, professionally, and financially.

Ask enough questions

As a new Project Director or a newcomer to AC, the sheer volume of information can be daunting. The grant/contract is important and its running smoothly is important. This handbook provides a beginning. The people and places that form the grant network are there to help. **Please contact the Office of Grant Administration if you have any questions.**

Credit the funding agency

On any piece of printed matter, whether a news release, brochure, or major product, a credit line should appear listing the funding agency by its full name. If verbal presentations are being given to community groups, the agency should be credited there as well.

Provide lead time

Your grant /contract is only one of many projects impacting AC and its services. People work best when the impossible request is a rarity. Grants/contracts frequently deviate from routine AC activities; therefore, more lead time is often needed to make special arrangements for grant/contract activities. So be considerate - plan ahead.

Keep up with the budget

Grant/contract funds represent the end result of a stiff competition with other colleges and other needs. They are an investment by a public or private entity in AC's future. AC will be held accountable for its stewardship in using those funds.

Plan carefully for grant/contract-related meetings

Send a written agenda to participants prior to the meeting. Use effective group management techniques to keep the meeting on track and use time well. Follow up with meeting summaries and actions on necessary items.

Find a home at AC

The Project Director and the grant program belong to AC and are a part of its community of needs, people, and events. Avoiding isolation builds support across AC for the goals of the grant/contract and creates interest in the outcomes. An internal committee made up of representatives from diverse areas of AC can sometimes help in this process. Check to see if such a committee is feasible.

Address problems before they become crises

Any large project has the potential for going awry. Contact supervisors and the AC Grant Administration Office when things begin to go off track to find early solutions.

Keep the Grant Accountants informed

Copy all Grant Accountants on email and memos involving fiscal or budget issues. They work as a team.

GRANTS TERMINOLOGY

ACTIVITIES – DEVELOPMENTAL VS. OPERATIONAL: Developmental activities are those that use innovative approaches to solve an institutional problem. Operational activities are those that are performed in the course of normal everyday college business. *It is important to know the difference -- AC's Title V grant funds developmental activities, but does not fund operational activities.*

ADMINISTRATIVE FEES: See Indirect Cost

ALLOWABLE COST: A cost for which an institution or agency may be reimbursed under a grant or contract with a governmental agency.

AMENDMENT: Modification of existing legislation, e.g. Older Americans Act of 1965 as amended 1973.

APPLICATION CONTROL CENTER: Established by federal and state agencies to centralize receipt of grant proposals.

APPROPRIATION: Legislation enacted by U.S. Congress which establishes a federal activity. The legislation will sometimes set limits on the amount of money which can be appropriated for the activity.

AWARD LETTER: Written notification from the funding agency indicating that a project has been funded, for how long, and in what amount.

BLOCK GRANTS: The grouping of many categorical grant programs into an overall functional area.

BUDGET: A plan for financial operation consisting of an estimate of proposed income and expenditures for a given time period and purpose.

BUDGET CYCLE: The annual fiscal year (for example, July 1 through June 30) which is important because it indicates when funding sources will make their grants.

CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA): Contains information about Federal grant and loan programs available from Federal agencies to assist the American people in furthering their social and economic progress. *Each federal program is assigned a CFDA number. This is used in the audit for grant identification purposes, so it must be accurate.*

CATEGORICAL AID: Federal or state funds specified for specialized area.

CONFLICT OF INTEREST: Using a vendor that is a member of your family or a personal friend. Transaction must be “arm’s length”.

CONSORTIUM: A group of organizations sharing in the finances and/or administration of a single grant to accomplish that which no one can do as effectively as when working together.

CONSULTANT: A person with expertise external to an organization that is brought in to lend insight to the solution of a problem.

COPYRIGHT: A statement of legal control over a document (usually by its author) such that anyone seeking to reproduce said document must first obtain permission of the copyright holder.

COST REIMBURSEMENT CONTRACT: Issued on the basis of estimated costs of performing specified tasks; arrived at by negotiation between government and the contractor. Involves payment to the contractor for actual costs incurred up to a ceiling amount.

COVER SHEET: Top sheet of grant that summarizes information about grant. Usually includes place for authorized signature.

DEADLINES: Dates by which applications for grants or contracts must be submitted. Pay close attention to whether the deadline is "to be received at the agency" by the deadline or "postmarked" by the deadline.

DEMONSTRATION GRANT: Generally of limited duration which seeks to test the feasibility of an idea, approach or program.

DISADVANTAGED: Individuals who because of physical, emotional, social, economic or other reasons are unable to adequately compete within the context of an educational institution.

DIRECT COST: Expenses which can be itemized by categories having descriptive terms for utilization of funds, e.g. salaries and wages, travel, etc.

DUNS NUMBER: Identification number used for Department of Education proposals. AC's DUNS number is 073186108.

FEDERAL REGISTER: Contains proposed and final guidelines, and other administrative regulations of programs as announced by Federal agencies in precise working of the law. It may be purchased from the United States Government Printing Office, Washington, D.C. 20402. *The AC Office of Grant Administration subscribes to the Federal Register.*

FISCAL YEAR (FY): Is designated by the calendar year in which it ends, e.g. FY2021 covers the period July 1, 2020 to June 30, 2021. The Federal Fiscal Year is October 1 through September 30. AC's Fiscal Year is September 1 through August 31.

FORMULA GRANTS: Funds distributed by the Federal government (usually to state agencies) for use in specified projects. The funds are awarded on the basis of demographic and economic data from which a formula has been computed.

FRINGE BENEFITS: Benefits such as life and health insurance, retirement, unemployment compensation and workers compensation that are paid in addition to salary. Benefit packages change yearly.

FTE - FULL TIME EQUIVALENT: The amount of time spent or required in a less than full time activity divided by the amount of time normally spent or required in a corresponding full time activity during the regular school term. (Also referred to as a regular budgeted position)

GRANTEE: One who receives and administers a grant.

GRANTOR: Agency which gives funds to carry out projects.

INDIRECT COSTS: Those costs which cannot be identified specifically with a particular program, project, or activity. They are costs that are incurred for several purposes which are necessary to the operation of Amarillo College; for example, accounting, Payroll, Human Resources, and general administration. Indirect costs are also referred to as Administrative Fees.

MATCHING FUNDS: Cash or "in-kind" support contributed by the grantee to fulfill objectives of project. Amount of needed matching funds varies with program.

MEASURABLE OBJECTIVES: Goals stated in such a way that the achievement or non-achievement of this goal may be determined with a relative degree of precision by objective observation and measurement (also called criterion based objectives.)

NEEDS ASSESSMENT: A continuous, formal process for identifying in what areas and by how much the present system is short of an ideal state.

OFFICIAL FUNCTION: Expense such as food that needs justification as to the public purpose it produced to the funding agency or campus.

OUTREACH: Contributes to eliminating artificial barriers to the use of educational resources by finding new ways to serve.

PASS THROUGH AGENCY: State or local agency that receives federal funds and conducts its own application and award process.

PRE-APPLICATION: A prospectus following a prescribed format developed by an agency and utilized to screen proposals.

PRIME GRANTEE OR PRIME CONTRACTOR: A single agency which has the overall responsibility for conducting a program usually involving subcontractors.

PROJECT/PROGRAM OFFICER: The Federal or State agency representative who has the task of monitoring the project, providing technical assistance to the project, and insuring that the objectives are carried out within the framework of regulations.

PROPOSAL: An application submitted to a funding source seeking approval and funding.

PUBLIC LAW (PL): Means of classification of laws passed by Congress, e.g. P.L. 88-269 Library Services and Construction Act 1964 is translated as a public law passed by the 88th Congress.

RESOURCE INVENTORY: An enumeration of services, facilities, personnel, and agencies related to a particular topical area.

REVENUE SHARING: Tax funds appropriated by Congress and distributed to local and state governments in sums determined by a complex formula.

REQUEST FOR PROPOSALS (RFP): An announcement by an agency that it is accepting proposals to accomplish a specific objective.

STATE PLAN: Document developed by a state agency, based on guidelines from and to be approved by Federal agency, in order to insure that (1) funds flow to supplanting state and/or (2) that state is in compliance with regulations.

SUPPLANTING: Use of grant funds to pay for ongoing activities already budgeted or for the usual activities assigned to a position.

TITLE: A major section of a piece of legislation, e.g. Title I Higher Education Act, 1965.

UNSOLICITED PROPOSALS: Agencies may allow institutions to submit proposals which may or may not match the priorities of those agencies. May be an offer to perform tasks which are not the results of an RFP announced by the agency.