



SOUTHWEST TENNESSEE COMMUNITY COLLEGE GRANTS MANUAL

A start to finish guide to acquiring and managing grant awards.

OVERVIEW

ROLES AND RESPONSIBILITIES

The **OFFICE OF INSTITUTIONAL ADVANCEMENT** provides a variety of services including the research and identification of potential funding opportunities, writing, project development as well as project management and oversight. Since 2013, the Office of Institutional Advancement via grant awards has secured over \$30 million thanks to the many faculty and staff partnering with Institutional Advancement on various grant initiatives.

There are two sections in the grants department via Institutional Advancement.

Grants Development

- Research and develop grant opportunities for the College
- Work as a team member with faculty and staff to write, compile, and submit grant applications. Remember, you are the expert in your field and your input is vital in composing a successful grant application.
- Obtain feedback from granting agencies about the quality of grant applications.

Grants Management

- Upon grant award to the College or Foundation, grants management will conduct a post-award meeting to determine roles and responsibilities as well as continued standing meetings to aid in project management.
- Provide technical assistance with grant reports and regulations.
- Records retention of all grant submissions and grants awarded to the College or Foundation.

We encourage all members of Southwest Tennessee Community College faculty and staff to explore funding opportunities or potential project ideas. The grants office needs content experts in virtually every area of our college to assist in the development of future projects. Please do not hesitate to [contact us](#) if you know of or have found a grant opportunity, would like to discuss your project concept or need technical assistance in the administration of your grant award.

Grants Development

A sponsored project is defined as any externally funded activity that has a defined scope of work or set of objectives. These objectives provide a basis for sponsor expectations. Sponsored projects involve research, demonstration, professional development, instruction, training, curriculum development, community and public service, or other scholarly activity involving funds, materials,

other forms of compensation, or exchanges of in-kind efforts under awards or agreements. Per **Policy 4:01:04: Any College employee may initiate action to prepare a proposal for funding from an outside agency but must do so through appropriate campus procedure. Consult the Director of Grants Development for assistance with grant research or consult the grants page via searching the Southwest Grantswatch www.Southwest.tn.edu/grants.**

- All requests to apply for funding must be submitted to the Director of Grants Development by accessing the following web page:

www.Southwest.tn.edu/grants

- All proposals are to be submitted for review and approval.
- The proposal commits Southwest Tennessee Community College to a specific line of scholarly or scientific inquiry typically documented in a statement of work to be performed.
- The proposal includes a set of objectives which provides a basis for sponsor expectations.
- The proposal commits College resources, such as personnel effort, use of equipment, facilities, or other resources.
- The proposal includes a detailed budget.
- There is a specified period of performance, typically defined by “start” and “end” dates.
- The sponsor requires deliverables stated in an agreement, such as program activities, reports, financial accounting, or intellectual property ownership.
- The award includes conditions for specific formal fiscal reports and/or invoicing.
- The award restricts or monitors publications and use of results or requires protection of confidential information.
- The award specifies fiduciary responsibilities such as adherence to a line item budget, project audit, payment contingencies, and the return of any unexpended funds at the end of the project.
- The sponsor is involved in making decisions regarding project performance or stands to derive benefit from the work performed.

In developing a proposal, the Principal Investigator (PI or Project Director) represents Southwest Tennessee Community College and is responsible for upholding the high standards expected of Southwest Tennessee Community College projects. The PI is responsible for obtaining all required College approvals by submitting the proposal through the Director of Grants Development. Please provide as much advance notice as possible, even if you are not certain you will be submitting a proposal. The earlier you contact us-the more efficient help we can provide.

Obtain a copy of the solicitation or a link to the specific solicitation and share it with Grants Development as soon as possible to allow ample time for determination of eligibility. You should carefully review the regulations governing the relevant solicitation, paying particular attention to the review criteria and anticipated deliverables.

Proposal Preparation and Review

Many funding agencies have prescribed formats for proposal preparation, including required forms for text, biographical data and budget. Agencies often also have page limitations on the body (text) of the proposal. Institutional Advancement has a number of program application forms on file; forms can also be obtained from the Federal Register or from the granting agency.

Grants Development will generally organize a team for in-house peer reviews of the proposal as it is

being developed. This is an extremely valuable process and is highly recommended. The established review process may include members from Institutional Advancement, Institutional Research, the applying Department and other colleagues in order to highlight strengths to emphasize in the proposal and will help identify weaknesses to correct before submission.

Budget and Budget Narrative Preparation

Most funding agencies provide guidance for preparing the project budget in either the solicitation or in a separate application guide. The budget must be carefully constructed so that expenses are appropriate for the project and correctly categorized. Southwest and most federal agencies divide costs into eight categories:

Salaries	Contractual or Consulting Expenses
Fringe Benefits	Travel
Supplies	Other
Equipment	Indirect Costs

However, some agencies may have their own categories and it is important to follow these agency-specific guidelines during the application process. Grants Development will assist you with reviewing and interpreting these budget guidelines.

Important Note: The budget eventually must be completed to a sufficient level of detail to allow us to set up your project in the finance system, Banner, which will enable you to begin spending the grant funds. **Completing a detailed budget as early in the process as possible will save you valuable time getting started on your project once the award is made.** Grants Development will help ensure your project budget is Banner-ready.

Budget Narrative/Justification

The budget narrative/justification is the vehicle used to explain the purpose of all grant expenditures, and is essentially a narrative explanation of each line item in the budget. Often required by funding agencies, it also provides the detail needed to allow set up of your project in the Banner system, as described above.

Data Sheet

We have constructed a Proposal Brief document to aid in preparation of the budget. This provides current and detailed information relative to items such as fringe benefit rates and health insurance costs for employees who will be involved in the project, and **Facilities and Administration Rates (often referred to as “F&A” or “indirect costs”)**. If permitted by the funder, it is imperative to include F & A within the grant budget. Be certain to confer with Grants Development regarding the proper indications of F & A in the budget. In addition, the form provides important organizational information such as the federal ID, DUNS number and congressional district information usually required for electronic grant submissions.

Submission Checklist

Here is a list of things to review and complete with Grants Development:

Substance and Merit

Have you ensured the substance and merit of the proposal, including the academic appropriateness and desirability? Projects will be accepted only when consistent with the advancement of knowledge through research; the preservation and dissemination of knowledge; the creation of works of art; and the advancement of the public welfare as well as appropriate alignment with the strategic mission of the College.

Time and Effort Commitments

*What are the commitments of faculty and staff time and the possible effects of these commitments on the teaching and other obligations of the personnel involved? Effort committed to a project represents a good faith effort regarding the actual amount of time to be spent working on the project. Effort committed as cost share must be tracked, regardless of whether or not it is required by the funding agency. **See Grants Management for further details.***

Compensation

*Does the proposal provide compensation **IN EXCESS** of regular salary for project personnel? Any such arrangements should be reviewed carefully and approved by the Vice President, Department Chair, Dean or Director.*

Fringe Benefits

Does your budget reflect the appropriate fringe benefit rates based on the type of employees to be involved in the project? Consult Grants Development for current benefit rates and costs.

Facility Needs

What are the requirements for space and facilities? This is particularly important if your needs cannot be met with space and facilities already available to you.

Budget

Are all budgeted costs, including facilities and administrative costs, accurately determined; realistically estimated and stated; and not contrary to the policies of the College or the grantor?

Match and Cost Sharing Requirements

Does the proposal commit College funds for matching? Equipment acquisition? Other? If there are matching requirements, describe who will provide the matching dollars. Additionally, if the required match may allow a mix of cash and in-kind contributions, that must be separately stated and explained.

Sub awards or Subcontracts

Is a sub award or subcontract included in the application budget? Subawards and subcontracts are distinct from service or consulting agreements. A subaward or subcontract is used to conduct a portion of your project critical to its success and is not a service routinely provided by the contractor. (In other words, the contractor's work is highly customized to your project.) Be sure to include the names of any subawardees or subcontractors and collect required IRS documents via completed W-9 forms.

Supplies

Are supplies to be purchased for the project? Have general office supplies been delineated from project-type supplies (e.g. lab Supplies, slides, etc.) in your budget?

□ **Equipment**

Will equipment be purchased? If so, a detailed description for each piece of equipment should be included in the budget and budget justification. Items less than \$5,000 and purchased separately (e.g. not bundled as part of a larger, interconnected item) should be classified with distinction between equipment/capital purchase or supplies.

Submission to the Funding Agency

Funding agencies have a multitude of paper and electronic submission systems; therefore, Grants Development will submit all proposals to all funding agencies.

In almost all cases, a submission that misses the deadline is rejected by the funding agency. You are responsible for making sure the Grant Proposal Brief and your proposal materials are completed with Grants Development in a timely manner for submission. Do not assume that Grants Development will be available to help at the last minute unless you schedule that assistance in advance.

Notification of Award

Formal notification of an award is contained in a Notice of Award from the funding agency.

Ideally, the agency sends the notice to Grants Development, but that is not always the case.

- If you receive notification, please forward it to Grants Development as soon as possible.
- If Grants Development receives notification, we will forward it to you immediately upon receipt.
- Work and financial commitments should not begin prior to the receipt and date of the Notice of Award and executed contract.
- All financial commitments, including payroll and subcontractor costs, should occur during the project period in the Notice of Award.

Please remember, the only person authorized to accept an award on behalf of Southwest Tennessee Community College is the President. It is imperative that all processes are adhered to and remain in compliance with award acceptance via the executed contract. If the Notice of Award reflects the exact budget, terms and conditions proposed in your submission, the notice is turned over to Grants Management for implementation of the award, including creation of the appropriate accounts in Banner, the College's finance system. If the Notice of Award contains terms and conditions *different* from those in your proposal, Grants Management will negotiate on your behalf with the funding agency regarding the final terms. When terms and conditions are agreed to by both sides, the funding agency will issue a revised Notice of Award. At that point, the final agreement will be turned over to Grants Management for award implementation. If the awarded amount differs from your proposed budget, you will need to revise the budget before accounts are set up and you begin spending grant funds.

Notification of Rejection

If your proposal is not funded, notify Grants Development who will immediately make contact to thank the funding agency panel for reviewing your proposal, and request the reviewers' comments. Grants Development will find out what the reviewers felt were weaknesses of the proposal, address those issues and plan to resubmit the proposal at the next deadline or submit the improved proposal to another program that funds similar projects.

Grants Management

Southwest Tennessee Community College is legally accountable to the sponsor as the official recipient of a grant, contract or cooperative agreement; however, the principal investigator/ project director (PI), acting through the department/school/college, is responsible for the proper conduct of the project. To assist the faculty/staff member in this very important responsibility, Southwest Tennessee Community College provides supporting administrative services and has established procedures to help meet both sponsor and College administrative requirements via the Director of Grants Management. Southwest Tennessee Community College is, ultimately, legally and financially responsible and accountable to the sponsor for the performance of the activity funded and the proper use of funds. However, without the full cooperation and vigilance of the PI, the department, and Southwest, the College would fail in its stewardship role. In the truest sense, therefore, the sponsored programs process is a joint effort between the Director of Grants Management, the PI, Grants Accounting and the sponsoring Department. Each must do their part well in order to achieve success.

The first months of a grant are critical. Most of the imperative pieces of documentation are completed in the first few weeks. During this time, Grants Management will ensure that the contract is negotiated, received and signed; Restricted Funds Accounting will ensure the budget is received and loaded with an executed contract, the PI will submit and request for position numbers and new hires, etc. **As such, it is a team effort and requires an “all hands-on deck” approach. A grant that starts well will run well. Grant “KICK-OFF” meetings will be held with all appropriate team members to set forth compliance/management efforts early on.**

The Vice President for Institutional Advancement (or designee) is appointed as the official who has the authority to deal directly with funding agencies, both federal and non-federal, relating to any aspect of externally funded activity at Southwest. Institutional Advancement promotes the creation and maintenance of an environment that encourages and supports productivity and compliance.

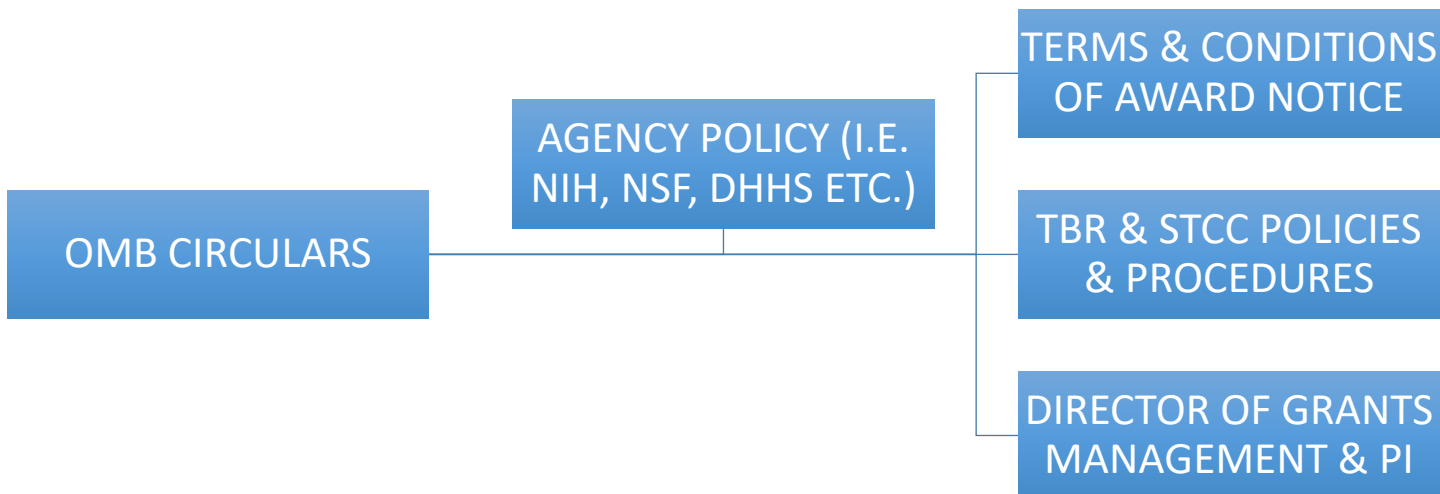
The Director of Grants Management and the Grants Accounting team work cooperatively with the PI and the sponsoring department in the administration of funded projects. They will assist in structuring and implementing operating procedures to meet program administration obligations, but they cannot be responsible for day-to-day administrative/operational tasks for individual programs. Principal investigators/project directors are ultimately responsible for project management.

Grants Management assists the PI with the implementation and management of the funded project. The staff serves as a resource for guidance on all aspects of administration of funded projects.

Grants Management has the following specific responsibilities:

- Negotiates contracts and financial arrangements and serves as a liaison with sponsors throughout the life of the project.
- Guides PIs in interpretation or clarification of federal regulations, funding agency requirements, award terms, and Southwest policies.
- Helps PI to initiate paperwork to establish a sponsored project fund/ index account for the project.
- Provides guidance with administrative issues that may arise including change in level of effort of key personnel, change in budget or change in scope of work that may require sponsor approval
- Assists in processing any grant functions that require prior approval up to and including grantee-approved no cost extensions and budget revisions.
- Reviews and approves appointment forms for employees supported by sponsored projects.
- Reviews and approves cost transfers and salary distribution revision forms.
- Reviews and approves grant purchases.
- Provides information on copyright and patent procedures, export control, reporting requirements and closeout procedures.
- Completes intellectual property and fixed asset reporting.
- Prepares and administers subcontracts and sub awards.
- During this entire process it is critical to consider Federal OMB regulations as set forth here: https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/circulars/A21/a21_2004.pdf

GENERAL GRANTS MANAGEMENT HIEARCHY



The Proposal

Reviewing the approved proposal itself is the first step for anyone connected with the grant. It will contain the statement of need, intended outcomes, target populations, timelines, and budget. Spend some time studying the proposal, it is your blueprint for all grant activities. The Director of Grants Management will initiate standing meetings and hold a “kick off” meeting to ensure proper start-up of the grant project.

Some important questions to ask might be:

What are the start and end dates of the award?

Is Southwest the only entity involved? Is this a consortium grant? If so who are the other contact people?

What personnel are authorized? How soon do I need to forward requests for hire documents to HR?

What results were promised to the funding agency?

What agreements have been made to partner agencies? Is there a need for clarification? How often should we meet?

The Contract or Letter of Award

Typically received after the budget has been approved, the contract assures the College that the grant has been funded. This document will usually contain the grant number, duration of the grant period, the Project Officer, etc. No grant activities shall take place until an executed contract is in place. Please utilize the form below to initiate GRANT CONTRACT APPROVALS.

<http://southwest.tn.edu/grants/grants-management.htm>

The Grants Approval form shall be initiated by the Department in receipt of the award (i.e. the Principal Investigator or Project Director). After sections I and II have been completed please forward to the Director of Grants Management; the Director of Grants Management will log the contract and begin routing to make every effort that the contract is reviewed and signed in a timely manner. **It is imperative that all signatures are received and contract returned to funder within 10 business days of receipt.**

The Negotiated Budget

Often, the proposed budget receives modification from the sponsor agency, it can be reduced or increased. Grants Management and Restricted Funds Accounting will aid in this review to determine (if funds are decreased or even increased) if there is a subsequent change to the scope of work or objectives. Losing dollars may mean losing personnel, other requested resources, or may call for a scaling back on one or more of the objectives of the project. Again, it is important for the PI and Grants Management to confer on this matter in the case that negotiations must take place if there is a difference in funding amounts.

If the budget calls for MATCH, this means that the College has agreed to contribute and is responsible for funds toward the project in specific amounts. This process, known as “matching” can become wonderfully complicated and will need immediate attention when the operational budget is prepared. MATCH should be addressed and tracked on a monthly basis via the form provided here:

<http://southwest.tn.edu/grants/grants-management.htm>

Remember, some common and pertinent questions to consider when viewing the approved budget are:

Have timelines/objectives been modified?

What, if any personnel costs have been eliminated? What impact will those changes have?

What amounts are required for matching?

From what Department or divisions will the matching amounts come from?

Do any of the matching funds come from volunteers? If yes, have methods been planned for tracking and valuing those volunteer resources?

Grant Implementation and Compliance

The issue of compliance encompasses a broad range of areas that relate to sponsored projects—from financial requirements to regulations that govern the use of equipment purchases as well as for hiring personnel. Grants from Federal and State sources operate under regulations published in the Federal register, State of Tennessee statutes, and are reproduced in the application package for each grant. Funds from private sources are generally accompanied by regulations or guidelines that describe how funds are to be spent as well as reporting requirements. Let's review a few compliance matters:

Financial Administration

Remember, a grant that starts well, ends well. Ensure that upon notification of the grant award and an executed contract, Grants Accounting is notified and the budget is loaded by Grants Accounting. At the same time, ensure that any Purchase Requisitions are completed and submitted early on. These Purchase Requisitions can be for items such as payment of third party evaluators, equipment purchases and even general supplies. Your Purchase Requisition will be reviewed and approved in SCIQUEST by Grants Management. Please be sure to keep in close contact with PURCHASING to ensure that your purchase requisition is routed in a timely manner. Grants Management will aid the PI in this process yet the PI is aware of timeline processes and need for proper project implementation. Be sure to follow your requisition/ purchase order in the system. It is advisable that purchases are not submitted in abundance at the end of the grant cycle. Grants Management will again aid you in monitoring this process.

If you elected to defer work on making the budget ready for Banner in the proposal development, it is now time to fill in the budget details. This step must be completed before your award can be fully implemented and before any grant funds can be disbursed. (Grants Management and Grants Accounting will work with you to help ensure the project budget is Banner-ready.) During this step, you will also receive guidance as to any other outstanding items that may preclude implementation of your award. Once all the necessary elements are complete, Grants Accounting will contact you with the Banner fund number you will use to spend funds as specified in the award.

On a monthly basis, you will also need to provide Grants Management with a listing of any outstanding financial obligations and adjustments incurred but not yet posted to Banner, along with any supporting documentation. Please communicate any outstanding invoices to Grants Management to ensure complete and accurate payment prior to the deadline established by your funding agency.

Per Federal OMB regulations please see below indications (full circular found online here):

https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/circulars/A21/a21_2004.pdf

CIRCULAR A-21 (Revised 05/10/04)

CIRCULAR NO. A-21

Revised

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: *Cost Principles for Educational Institutions*

1. *Purpose.* This Circular establishes principles for determining costs applicable to grants, contracts, and other agreements with educational institutions. The principles deal with the subject of cost determination, and make no attempt to identify the circumstances or dictate the extent of agency and institutional participation in the financing of a particular project. The principles are designed to provide that the Federal Government bear its fair share of total costs, determined in accordance with generally accepted accounting principles, except where restricted or prohibited by law. Agencies are not expected to place additional restrictions on individual items of cost. Provision for profit or other increment above cost is outside the scope of this Circular.

2. *Supersession.* The Circular supersedes Federal Management Circular 73-8, dated December 19, 1973. FMC 73-8 is revised and reissued under its original designation of OMB Circular No. A-21.

3. *Applicability.*

a. All Federal agencies that sponsor research and development, training, and other work at educational institutions shall apply the provisions of this Circular in determining the costs incurred for such work. The principles shall also be used as a guide in the pricing of fixed price or lump sum agreements.

b. In addition, Federally Funded Research and Development Centers associated with educational institutions shall be required to comply with the Cost Accounting Standards, rules and regulations issued by the Cost Accounting Standards Board, and set forth in 48 CFR part 99; provided that they are subject thereto under defense related contracts.

4. *Responsibilities.* The successful application of cost accounting principles requires development of mutual understanding between representatives of educational institutions and of the Federal Government as to their scope, implementation, and interpretation.

5. *Attachment.* The principles and related policy guides are set forth in the Attachment, "Principles for determining costs applicable to grants, contracts, and other agreements with educational institutions."

2. *Sponsored agreement, for purposes of this Circular, means any grant, contract, or other agreement between the institution and the Federal Government.*

3. *Allocation means the process of assigning a cost, or a group of costs, to one or more cost objective, in reasonable and realistic proportion to the benefit provided or other equitable relationship. A cost objective may be a major function of the institution, a particular service or project, a sponsored agreement, or a F&A cost activity, as described in Section F. The process may entail assigning a cost(s) directly to a final cost objective or through one or more intermediate cost objectives.*

4. *Facilities and administrative (F&A) costs, for the purpose of this Circular, means costs that are incurred for common or joint objectives and, therefore, cannot be identified readily and specifically with a particular sponsored project, an instructional activity, or any other institutional activity. F&A costs are synonymous with "indirect" costs, as previously used in this Circular and as currently used in Appendices A and B. The F&A cost categories are described in Section F.1.*

C. *Basic considerations.*

1. *Composition of total costs.* The cost of a sponsored agreement is comprised of the allowable direct costs incident to its performance, plus the allocable portion of the allowable F&A costs of the institution, less applicable credits as described in subsection 5.

2. *Factors affecting allowability of costs.* The tests of allowability of costs under these principles are: (a) they must be reasonable; (b) they must be allocable to sponsored agreements under the principles and methods provided herein; (c) they must be given consistent treatment through application of those generally accepted accounting principles appropriate to the circumstances; and (d) they must conform to any limitations or exclusions set forth in these principles or in the sponsored agreement as to types or amounts of cost items. 3. *Reasonable costs.* A cost may be considered reasonable if the nature of the goods or services acquired or applied, and the amount involved

therefore, 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. Major considerations involved in the determination of the reasonableness of a cost are: (a) whether or not the cost is of a type generally recognized as necessary for the operation of the institution or the performance of the sponsored agreement; (b) the restraints or requirements imposed by such factors as arm's-length bargaining, Federal and State laws and regulations, and sponsored agreement terms and conditions; (c) whether or not the individuals concerned acted with due prudence in the circumstances, considering their responsibilities to the institution, its employees, its students, the Federal Government, and the public at large; and, (d) the extent to which the actions taken with respect to the incurrence of the cost are consistent with established institutional policies and practices applicable to the work of the institution generally, including sponsored agreements.

Travel

There are a number of details to consider when traveling on grant funds. Please review the most recent travel guidelines.

<https://policies.tbr.edu/policies/general-travel#Travel-Advances>

A completed Travel Authorization Form must be submitted before travel so that it can be assured that all travel expenses will be covered by grant funds. If disallowed expenses are incurred, they will be the responsibility of the traveler or department.

southwest.tn.edu/documents/Financial.../SingleTripTravel082511.doc

Personnel and Payroll

It is imperative that you, as a supervisor:

- Become familiar with the requirements of the Human Resources division.
- Become familiar with proper processes prior to hiring such as requesting position numbers, any personnel actions form such as the request for hire form or the change of status forms.
- Work with STCC human resources representatives for issues with hiring, discipline or termination;
- Assure proper leave administration and signing off on all time & effort forms.
- Make certain all relevant job-specific and general human resources training is completed.
- In cooperation with HR, ensure that all grant funded personnel are aware that grant funds are “soft” and should be considered temporary according to the life of the grant. **Therefore, grant funded positions end when the grant award/funding entity indicates.** Further, all should consider that Tennessee is an at-will employment state.

Important to note* time and effort forms are critical for records maintenance and may be requested during an audit or regular reporting. Please see the link below for a time and effort form. These forms should be completed weekly by any and all whose salaries are paid for (even in part) by grant funds. Time and effort forms shall be reviewed, approved and maintained by the PI.

Time & Effort Reporting

One of the commonly discussed areas of importance in Federal Uniform Guidance are the requirements surrounding tracking and reporting of payroll related costs. Located in section 2 CFR

200.430, and commonly referred to as time and effort reporting, the language in the regulation went through various modifications before the final guidance was issued. The previous requirements were different among the state and local government, not-for-profit, and higher education industries, so the final guidance is considered by many to be a compromise of all of the different rules with a focus on reducing the administrative burden that often accompanied meeting the previous requirements.

The primary focus of the revised time and effort requirements is that strong internal controls must exist for the reporting of salaries and wages to ensure that the payroll charged to various grants match were actual time is spent. While the previous standards were more prescriptive in the documentation requirements (for example, the use of semi-annual certifications for those employees working full-time in a program or personnel activity reports for those employees working under multiple grants), the new standards provide more flexibility in the process, with the focus being on controls to ensure that time is charged to grants appropriately.

The Uniform Guidance requires that time distribution records must be maintained for all employees whose salary is paid in whole or in part with federal funds or is used to meet a match or cost-share requirement for a grant. Payroll allocations among grant awards cannot be based on budgeted distributions alone. Rather, allocations of salaries and wages among grant programs need to be supported by actual hours worked. If budgeted numbers are used to allocate salaries and wages among grant programs, the entity's system of internal controls should include an after-the-fact review of the grant programs. If actual time worked differs from the budgeted allocations, adjustments should be made such that the final amount charged to each grant is accurate, allowable, and appropriately allocated.

Match/Leverage

OMB Circular A-110 defines *cost sharing* or *matching funds* as a portion of the project or program costs not borne by the federal government, and therefore covered by some other source. Although the two terms are often used interchangeably, the term *matching* is actually a specific type of cost sharing, typically used when a sponsor requires the grantee to "match" the sponsor funding according to a specified ratio.

What can be used as matching funds? Most organizations use cash, computer hardware, software, office supplies, salaries, space, and volunteer services for matching funds. Organizations must show proof of matching funds with a signed commitment letter. Match can be contributed from many sources, including private, local, state or federal sources. If match funds come from another Federal program, the laws governing that other program must permit the funds to be used as match; however, there are some exceptions. You must confirm with the grantor of the funds and the Grants Management Director before using these as matching funds.

What is the difference between CASH MATCH and IN-KIND MATCH?

Cash match is when the recipient or subrecipient, are paying for an eligible activity, or when paying for a staff member to carry out that eligible activity, with funds from the College that are not funded by the project.

In-kind match, on the other hand, is where your organization or even a partnering provider agrees to provide the eligible activity to your project. For example, if you're paying the salary of a case manager with funds from other than the funded grant program to serve program participants, then that would be considered cash match. However, in an instance where another provider signs an MOU with your agency and agrees to provide case management to your program participants with a case manager from their agency, then that would be considered in-kind match. By the time of grant execution, you

must execute an MOU detailing the nature and value of the in-kind commitment and how its value has been determined. Then the actual in-kind services received should be documented to verify the quantity, the value, and the period in which the services were provided. For services provided by an individual or volunteer, the agency should develop a standard form for documenting the time spent and the value of the services provided. And finally, to the extent feasible, volunteer services must be supported by the same methods that the agency uses to support the allocation of regular personnel costs. Please see the MATCH TABLE for monthly documentation of match/leverage.

Reporting

Financial Reporting

Financial reports required by your funding agency will be provided to the agency by Grants accounting. These reports may include proof of performance and billings to the various agencies. You will be asked to assist with providing match documentation and time and effort forms. Grants Management and Grants Accounting will review all invoicing and billing monthly and a quarterly basis.

Progress Reporting

The PI will be responsible for providing the required progress reports to the funding agency after review by Grants Management. You are best equipped to judge percentage of completion on your project and to determine whether or not you are meeting the specific outcomes required by your funding entity. Failure to provide progress reports in a timely manner may result in delays in receiving reimbursement for your expenditures and/or the denial of payment. You should provide Grants Accounting with a copy of all progress reports submitted to your funding agency.

No Cost Extensions

Many agencies allow for an extension of the grant period if warranted, but extensions must be requested and approved by the funder before the end of the original grant end date. The method for requesting extensions is usually specified in the award terms and conditions. Grants Management will complete and submit any such extension requests. Any notice of an extension must be documented in Grants Management to ensure proper reporting and closeout.

Award Closeout

There are a number of steps necessary to close out your grant once all project activities are complete. This will vary based on the agency. Oversight and direction will be provided by Grants Management.

A quick reference guide for the entire grants process is presented in the Process Flowchart.

GRANT "SPEAK" AND IMPORTANT DEFINITIONS

(a) *Accrued expenditures* means the charges incurred by the recipient during a given period requiring the provision of funds for: (1) goods and other tangible property received; (2) services performed by employees, contractors, subrecipients, and other payees; and, (3) other amounts becoming owed under programs for which no current services or performance is required.

(b) *Accrued income* means the sum of: (1) earnings during a given period from (i) services performed by the recipient, and (ii) goods and other tangible property delivered to purchasers, and (2) amounts becoming owed to the recipient for which no current services or performance is required by the recipient.

(c) *Acquisition cost of equipment* means the net invoice price of the equipment, including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the property

usable for the purpose for which it was acquired. Other charges, such as the cost of installation, transportation, taxes, duty or protective in-transit insurance, shall be included or excluded from the unit acquisition cost in accordance with the recipient's regular accounting practices.

(d) *Advance* means a payment made by Treasury check or other appropriate payment mechanism to a recipient upon its request either before outlays are made by the recipient or through the use of predetermined payment schedules.

(e) *Award* means financial assistance that provides support or stimulation to accomplish a public purpose. Awards include grants and other agreements in the form of money or property in lieu of money, by the Federal Government to an eligible recipient. The term does not include: technical assistance, which provides services instead of money; other assistance in the form of loans, loan guarantees, interest subsidies, or insurance; direct payments of any kind to individuals; and, contracts which are required to be entered into and administered under procurement laws and regulations.

(f) *Cash contributions* means the recipient's cash outlay, including the outlay of money contributed to the recipient by third parties.

(g) *Closeout* means the process by which a Federal awarding agency determines that all applicable administrative actions and all required work of the award have been completed by the recipient and Federal awarding agency.

(h) *Contract* means a procurement contract under an award or subaward, and a procurement subcontract under a recipient's or subrecipient's contract.

(i) *Cost sharing or matching* means that portion of project or program costs not borne by the funding agency.

(j) *Date of completion* means the date on which all work under an award is completed or the date on the award document, or any supplement or amendment thereto, on which Federal sponsorship ends.

(k) *Disallowed costs* means those charges to an award that the Federal awarding agency determines to be unallowable, in accordance with the applicable Federal cost principles or other terms and conditions contained in the award.

(l) *Equipment* means tangible nonexpendable personal property including exempt property charged directly to the award having a useful life of more than one year and an acquisition cost of \$5000 or more per unit. However, consistent with recipient policy, lower limits may be established.

(m) *Excess property* means property under the control of any Federal awarding agency that, as determined by the head thereof, is no longer required for its needs or the discharge of its responsibilities.

(n) *Exempt property* means tangible personal property acquired in whole or in part with Federal funds, where the Federal awarding agency has statutory authority to vest title in the recipient without further obligation to the Federal Government. An example of exempt property authority is contained in the Federal Grant and Cooperative Agreement Act (31 U.S.C. 6306), for property acquired under an award to conduct basic or applied research by a non-profit institution of higher education or non-profit organization whose principal purpose is conducting scientific research.

(o) *Awarding agency* means the agency that provides an award to the recipient.

(p) *Federal funds authorized* means the total amount of Federal funds obligated by the Federal Government for use by the recipient. This amount may include any authorized carryover of unobligated funds from prior funding periods when permitted by agency regulations or agency implementing instructions.

(q) *Federal share of real property, equipment, or supplies* means that percentage of the property's acquisition costs and any improvement expenditures paid with Federal funds.

(r) *Funding period* means the period of time when Federal funding is available for obligation by the recipient.

(s) *Intangible property and debt instruments* means, but is not limited to, trademarks, copyrights, patents and patent applications and such property as loans, notes and other debt instruments, lease agreements, stock and other instruments of property ownership, whether considered tangible or intangible.

(t) *Obligations* means the amounts of orders placed, contracts and grants awarded, services received

and similar transactions during a given period that require payment by the recipient during the same or a future period.

(u) *Outlays or expenditures* means charges made to the project or program. They may be reported on a cash or accrual basis. For reports prepared on a cash basis, outlays are the sum of cash disbursements for direct charges for goods and services, the amount of indirect expense charged, the value of third party in-kind contributions applied and the amount of cash advances and payments made to subrecipients. For reports prepared on an accrual basis, outlays are the sum of cash disbursements for direct charges for goods and services, the amount of indirect expense incurred, the value of in-kind contributions applied, and the net increase (or decrease) in the amounts owed by the recipient for goods and other property received, for services performed by employees, contractors, subrecipients and other payees and other amounts becoming owed under programs for which no current services or performance are required.

(v) *Personal property* means property of any kind except real property. It may be tangible, having physical existence, or intangible, having no physical existence, such as copyrights, patents, or securities.

(w) *Prior approval* means written approval by an authorized official evidencing prior consent.

(x) *Program income* means gross income earned by the recipient that is directly generated by a supported activity or earned as a result of the award. Program income includes, but is not limited to, income from fees for services performed, the use or rental of real or personal property acquired under federally-funded projects, the sale of commodities or items fabricated under an award, license fees and royalties on patents and copyrights, and interest on loans made with award funds. Interest earned on advances of Federal funds is not program income. Except as otherwise provided in Federal awarding agency regulations or the terms and conditions of the award, program income does not include the receipt of principal on loans, rebates, credits, discounts, etc., or interest earned on any of them.

(y) *Project costs* means all allowable costs, as set forth in the applicable Federal cost principles, incurred by a recipient and the value of the contributions made by third parties in accomplishing the objectives of the award during the project period.

(z) *Project period* means the period established in the award document during which Federal sponsorship begins and ends.

(aa) *Property* means, unless otherwise stated, real property, equipment, intangible property and debt instruments.

(bb) *Real property* means land, including land improvements, structures and appurtenances thereto, but excludes movable machinery and equipment.

(cc) *Recipient* means an organization receiving financial assistance directly from Federal awarding agencies to carry out a project or program. The term includes public and private institutions of higher education, public and private hospitals, and other quasi-public and private non-profit organizations such as, but not limited to, community action agencies, research institutes, educational associations, and health centers. The term may include commercial organizations, foreign or international organizations.

SOUTHWEST TENNESSEE COMMUNITY COLLEGE GRANT MANAGEMENT FORMS

1. Proposal Brief form
2. Proposal Submission Checklist
3. Grants Contract Approval form
4. Purchase Requisition
5. Change of Status form
6. Travel forms
7. Documentation of Match
8. Time & Effort Forms
9. Grants Process Flowchart- QUICK REFERENCE

FEDERAL REGULATIONS FOR GRANT PROGRAMS

https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/circulars/A21/a21_2004.pdf

<https://www.whitehouse.gov/wp-content/uploads/2017/11/Grants-Management-Grants-Circular-Attachments.pdf>

<https://www.whitehouse.gov/wp-content/uploads/2017/11/Circular-110.pdf>

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