Introduction

Congratulations on receiving the grant and assuming the role of Grant Manager for this project! If the Grant Manager was involved in the writing of the grant application, this is a much-deserved reward for all of the effort expended during the development and writing of the grant application. If the Grant Manager is new to the grant, and possibly new to the college, they will spend the first few months catching up, but there are a number of resources available to assist.

The purpose of this handbook is to assist both seasoned and new Grant Managers in the administration of the grant or contract. This handbook covers all grants that flow through Riverside Community College District (RCCD), including grants awarded directly to the colleges or District, as well as grants and contracts that are awarded to a separate entity but are then subawarded to the colleges or District.

This handbook does not include grants awarded to the Riverside Community College District Foundation, unless those grants are subawarded or passed from the foundation to the college/District for distribution and management. Grants awarded to the Foundation that stay with the Foundation, meaning that the money is not then transferred to a college or the District, are not covered by this handbook.

The goal of this handbook is to minimize the amount of time the Grant Manager redirects from grant implementation to project management, compliance, and audit readiness. While these are necessary tasks, the Grant Manager is not alone in assuring that the grant is compliant with federal, state, and institutional rules, regulations, and procedures.

For any questions not answered in this handbook, additional assistance is available from any member of the Grants Team at the colleges or District office.

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ROLES AND RESPONSIBILITIES – KEY PEOPLE

Before the grant begins, it is helpful to identify the key people involved in the grant development and implementation process. This process involves a number of people and offices that will continue to serve as resources throughout the life of the grant. If the Grant Manager is new to the college, they may want to review the District's current organizational chart to learn more about how the District and its colleges are structured and the people currently filling these positions. The District/college organizational charts are available at: https://www.rccd.edu/admin/hrer/Pages/org_charts.aspx

External Grant Team
Program Officer: The Program Officer has been identified by the funding source as the person responsible for ensuring that the grant is implemented according to plan and within budget. The Program Officer is the grant's primary point of contact with the funding source.

Internal Grant Development and Management Team
Grant Writer: The Grant Writer is the principal author of the proposal. In most instances, the Grant Writer is a member of the Grants Office; however, in some situations, grants are written by other members of the college community and/or by an external consultant. The Grant Writer works closely with the individuals who will be responsible for implementing the grant award agreement, including the Institutional Administrator and other impacted offices and programs. The Grant Writer will lead efforts to develop, review, edit, and submit the grant application.

Grants Office: The Grants Office oversees all pre- and post-award grant activity and is directly responsible for grant writing, proposal development, and application submission, unless otherwise discussed. At RCCD, there are four distinct Grants Offices, one at each college and one at the District, all working together as part of the Grants Team. The college Grants Office work closely with the District Grants Office to develop, submit, and monitor grant submissions. The Grants Team provides pre- and post-award technical assistance to Grant Managers and will assist with the development of continuation applications and/or applications for new funding as needed.

Institutional Administrator: The Institutional Administrator is the administrator under which the grant program falls who is responsible for supervising the Grant Manager and assuring that grant activities are completed on time and within budget. This person usually has an administrative position in the department responsible for implementing the grant and may be a Director, Dean, or Vice President. While the Grant Manager is responsible for overseeing the day to day grant activities, managing the budget, and approving grant expenditures, the Institutional Administrator is responsible for regularly connecting with the Grant Manager and confirming that the grant is progressing as planned. The Institutional Administrator can help the Grant Manager identify and address roadblocks to goal achievement and connect with critical resources within the college/District that may assist and support grant goals, activities, and outcomes.

Assigned Accounting Technician: Each grant awarded to RCCD or one of its colleges will have an assigned Accounting Technician who will serve as a resource for the Grant Manager as he/she implements the grant award. This Accounting Technician works with the Grant Manger to review and process all grant expenditures. The assigned Accounting Technician serves as a liaison

between the Grant Manager and the college and District Business Services Offices and assures that institutional procedures are followed. The assigned Accounting Technician also assures that the grant remains compliant with internal and external audit requirements, and as such, may request additional documentation prior to processing expenditures. They will not take any fiscal actions on the grant without the written approval of the Grant Manager.

Authorized Organizational Representative (AOR): Each funding source requires that the entity receiving the grant identifies an Authorized Organizational Representative. The AOR is the person who can legally bind the institution to a contract or grant agreement. For District grants, this person is the Chancellor or their designee, while for college grants, the AOR is the college President or their designee. The AOR is responsible for authorizing and accepting new grant awards, as well as approving and signing all subcontract agreements and any other formal grant documents, such as annual reports, both programmatic and fiscal.

Last, but most importantly ……………

Grant Manager
The Grant Manager, also known as the Project Director, Principal Investigator, and Project Manager, is the most important person on the grant. Both faculty and administrators may serve as grant managers. The college may hire a new employee to manage the grant or assign grant management to an existing administrator. Regardless of employee status, the Grant Manager is the primary liaison with the funding source, and any changes to this position should be immediately communicated to the funding source. The Grant Manager is responsible for:

1) Initiating and approving all changes to the grant or contract—no expenses should be charged to the grant budget without the authorization of the Grant Manager. In addition, no changes should be made to grant activities without the authorization of the Grant Manager. This includes charges or changes made by the Institutional Administrator.

2) Tracking grant expenditures as they are encumbered, obligated, and liquidated and then reconciling internal tracking records with monthly expenditure reports from the assigned Accounting Technician to determine the accuracy and allowability of all charges. The Grant Manager is responsible for expending grant funds in a timely and efficient manner according to the budget plan included in the grant award agreement and assuring that there are sufficient funds to cover project-related activities throughout the life of the grant.

3) Being familiar with and understanding the grant award agreement. Although all grants must adhere to relevant state, federal, and institutional rules and regulations, many grants have additional policies, procedures, and requirements that grant staff must follow. The Grant Manager is responsible for attending new grant orientations, grant-related workshops, and other meetings organized by the Program Officer to better understand grant processes and institutional responsibilities. **Ultimately, it is the Grant Manager's responsibility to read, understand, and implement all information and instructions sent from the funding source.**

4) Implementing the grant and overseeing the day to day activities of the grant as outlined in the original grant application and updated through approved revisions.

Organizational Structure – Riverside Community College District

In addition to understanding who the key individuals on the grant are and what role they play, it will help to understand the organizational structure at RCCD and the delineation of roles and responsibilities within the District and at each college.

Riverside Community College District is comprised of three separate colleges, each of which receives public and private grants from local, state, and federal sources. These colleges include:

- Moreno Valley College
- Norco College
- Riverside City College

When grants are awarded, the funding source determines how the grant will be awarded. While the District has one unique tax identification number that encompasses all three colleges, each college has its own DUNS number, and as such grants may be awarded to the District or the colleges. While the District has overall financial responsibility for District and college funds, it is not an accredited institution of higher education. For this reason, many federal grants are awarded to the colleges. On the other hand, many state grants are awarded to the District, which then disburses funding to the colleges.

To support the grant structure, there are four unique Grants Offices and Business Services Offices, one of each at each of the colleges, and one of each at the District level. It is important to understand the roles of each office.

> **The goal of effective grant management is to ensure that final decision making and grant authority is made as close as possible to the direct beneficiaries of the grant award.**

For example, if the award supports STEM student success at the college level, the STEM program at the college shall administer and manage the grant and the college Business Services Office shall provide direct fiscal support. If the grant supports economic development, then the District's Office of Economic Development and Entrepreneurship shall administer and manage the grant, with the District Business and Financial Services Office providing direct accounting support.

The following pages provide an overview of the various roles and responsibilities of the:

- Grant Manager
- College vs. District Grants Office
- College Business Services Offices vs. District Business and Financial Services Office

While these lists are not all-inclusive, they offer a good starting point for the Grant Manager to understand which office offers what supports and resources.

ROLES AND RESPONSIBILITIES

PRE-AWARD				
Institutional Administrator/ Grant Manager	**College Grants**	**District Grants**	**College Business Services Offices**	**District Budget & Fiscal Services**
NOTE: On the Pre-Award side, the Institutional Administrator is often leading the grant development process, as the Grant Manager is not yet on board. • Work with college or District Grants Office to identify grant opportunities that align with the mission, vision, and priorities of the District and its colleges • Assist with proposal development, including budget development • May elect to write grants • Read, review, and edit final draft prior to submission.	• Identify and develop grant proposals to support college initiatives • Submit grant proposals at the local and state level • Coordinate with the District office to submit federal grant proposals • Secure permission of college President and other necessary departments and/or shared governance councils prior to submission • Track development and submission of college grants • Communicate grant development outcomes to college leadership and District Grants Office for reporting and tracking purposes	• Identify, develop, and submit grant requests to support district projects • Identify, develop, and submit collaborative grant proposals that support more than one college • Secure permission of Chancellor, Presidents, and other necessary offices and shared governance councils prior to submission • Submit federal grant requests through online submission systems, such as Grants.gov and Fastlane • Monitor and track the development and submission of all grant requests • Communicate grant development outcomes to RCCD Board of Trustees • Maintain grant files on all grants awarded to the District and colleges • Provide technical assistance and support to the colleges for pre-award functions • Support the colleges with grant development, including grant writing, upon receipt of a timely and clearly communicated request • Offer training for faculty and staff interested in pursuing grant funding •	• Review and approve proposed budgets prior to grant submission for all college grants	• Review and approve proposed budgets prior to grant submission for all District grants • Facilitate signature of Vice Chancellor, Business and Financial Services, if required

POST-AWARD				
Grant Manager	**College Grants**	**District Grants**	**College Business Services Offices**	**District Budget & Fiscal Services**
• Lead day to day development and implementation of grant activities, including evaluation and sustainability plans as outlined in grant application • Understand and adhere to local, state, and federal grant policies, procedures, and requirements, including allowable and unallowable costs, documentation and reporting requirements • Initiate and approve all grant expenditures, including requisitions, travel requests, payroll, and contracts • Document and track grant expenditures • Reconcile monthly financial statements • Complete and submit all required programmatic and fiscal reports, working with assigned	• Negotiate budgets as required, working in conjunction with grant managers, institutional administrators, and assigned accounting technicians • Assist with the processing of new college grant awards as requested • Help connect new grant managers to available resources, including those available at the District office • Coordinate with District Grants Office and/or Business Services Office to ensure that college grants are spending down in a timely manner and	• Negotiate budgets as required, working in conjunction with grant managers, institutional administrators, and assigned accounting technicians • Assist with the processing of new District grant awards as requested • Offer professional development for grant-funded personnel at the District and the colleges • Provide technical assistance and support to the colleges with regard to post-award functions • Work with grant managers of District grants to ensure that District grants are spending down and drawing down grant funds in a	• Process new grant awards granted to college, assisting grant managers as they transfer their grant budgets to the District's budget form • Send new award, budget documents, and supporting information to Office of Budget and Fiscal Services for account code setup • Provide fiscal oversight for all grants awarded to the college, working with grant manager to monitor and track grant expenditures • Review and approve payroll, purchasing, travel, and contract requests for college grants prior to processing • Prepare invoices for reimbursement, as applicable to grant	• Process new grant awards granted to District, assisting grant manager as they transfer their grant budget to the District's budget form • Setup new grant account codes for all grants awarded to colleges and District • Prepare documents for approval/ acceptance by Board of Trustees • Provide fiscal oversight for all grants awarded to the District, working with grant manager to monitor and track grant expenditures • Review and approve payroll, purchasing, travel, and contract requests for District grants prior to processing • Draw down funds in a timely manner and provide copies to grant managers

accounting technician as appropriate • Serve as the institutional liaison with the funding entity, responding to all inquiries and requests in a timely manner • Communicate grant successes and outcomes with vested constituent groups, including college President and District Chancellor as appropriate	making satisfactory progress toward grant outcomes • Provide support and training to grant administrative specialists at the colleges	timely manner and making satisfactory progress toward grant outcomes	• Work with grant managers for college grants to ensure grants are spending down in a timely manner • Work with grant managers of college grants to prepare financial reports for submission to funding source	• Work with grant managers of District grants to prepare financial reports for submission to funding source • Oversee annual District audit as required by Office of Management Budget Uniform Guidance

There are exceptions to every rule, and the Grant and Business teams work together to address inefficiencies and points of confusion as they arise. The Grant and Business Services teams actively welcome input from Grant Managers as they implement their grants and identifies areas in need of improvement and/or clarification. This handbook will help further clarify the specific grant administrative responsibilities of the Grant Manager in the areas of Program, Fiscal, Personnel, and Funding Source responsibilities.

Please review this guide thoroughly, ask questions when the answer is unknown, and share new information as it is received with the Grants and Business Services Offices.

GETTING STARTED

The first few months of a new grant are both hectic and critical. The grant contract is negotiated with the funder and accepted by the Board of Trustees (Board). The grant award is forwarded to Business Services, which then works with the District's Business and Financial Services office to set up the budget and establish one or more account codes. The process for hiring personnel is initiated, and key internal and external collaborators come together for an initial planning meeting.

Ideally, the grant management team is in place as this is happening, but often the grant begins without the Grant Manager in place. That is okay, as there are many people and offices within RCCD and its colleges that are available to help ensure a grant has a good start, even if the Grant Manager has not yet been identified. This is critical, as a grant that begins well, often ends well. Delays in obtaining Board approval, budget set up, personnel hired, and goods and services purchased can cause problems throughout the duration of the grant. Problems or delays in the hiring process can have a particularly detrimental impact on reaching grant objectives on time, in the manner planned, and in accordance with the grant budget.

The time between the grant award notice and the actual start date will vary. Although costs for activities and personnel cannot be charged to the grant before the authorized start date, it is possible to advertise positions and interview, select, and orient key personnel before the grant begins. This is also a good time to convene internal and external partners and review the grant application, particularly the work plan, to ensure that proposed grant activities and outcomes are still relevant. Grant applications are often submitted six months to a year before their start date, and circumstances can and will change, particularly if the grant includes technology.

The project team also needs to review and confirm the grant management structure. Grant oversight and monitoring, as well as support for grant-related activities, will vary by project and administrative unit. The supervisor of the Grant Manager is responsible for grant paperwork and activities until the Grant Manager is hired, although the Grants Office is available to provide this leadership and oversight upon request. Formalizing the grant management structure before the grant begins will help establish lines of authority and reporting.

> **The following page provides a Getting Started Checklist to be considered by the Grant Manager as the project begins. Whether the Grant Manager was involved in the grant development process, starts on day one of the new grant, or begins four months after the start date, the Grant Manager shall use this list to confirm that all essential grant tasks are underway.**

GETTING STARTED CHECKLIST

☐ Read the Grant Application and Grant Award Agreement

☐ Identify the source of funding (private/public, federal/state/county/city), the grantee (for subawards with other institutions) and all relevant policies, procedures, and requirements

☐ Respond in a timely manner and/or as required to all follow-up requests by the funding source (as outlined in the Grant Award Agreement and/or subsequent communications)

☐ Inform Institutional Administrator and Grants Office of any key changes to grant plan

☐ Inform Program Office of key changes to grant plan after consultation with Institutional Administrator and Grants Office, if relevant and necessary

☐ Identify and connect with the assigned Accounting Technician

☐ Submit detailed budget to assigned Accounting Technician

☐ Confirm that the District Business and Financial Services office has established the necessary grant account code(s) based on the approved grant budget

☐ Review personnel plan

☐ Initiate hiring process for all new positions (Vice Presidents initiate this process in conjunction with Human Resources based on input from grant leadership team)

☐ Identify faculty and/or other existing staff who will work on project

☐ Determine payment method for faculty/staff who will work on the grant

☐ Inform internal and external grant partners, as applicable

☐ Convene meeting of grant partners, if applicable

☐ Initiate process for subaward/subcontract agreements and consultant contracts follow RCCD's Purchasing processes (explained in greater detail on pages 37 – 41)

☐ Review grant goals, objectives, and outcomes and the evaluation plan

☐ Initiate the grant evaluation plan, including identification of the project evaluator, which may be internal or external; work with the Office of Institutional Research, as appropriate.

Grant Ethics & Conflicts of Interest

One last important topic the Grant Manager shall consider as they implement their grant award - ethics and conflicts of interest.

A grant is the awarding/giving of someone else's money to an institution with the specific purpose to meet a goal or outcome of interest to that individual or entity. It is not "free" money that the institution, and more specifically the Grant Manager, can spend at their discretion. As such, it is critical that grants are implemented with integrity and fidelity to the approved grant application, as well as in accordance with the policies, procedures and requirements of both the grantee and the grantor, as well as any other relevant and applicable source. However, ethics goes beyond what is legally required.

The expenditure of public funds (at the local, state, and federal level) is built around the principles of fairness, equity, and competition. Any qualified entity shall have the right to compete for and receive public dollars through a fair and equitable process that awards contracts via a competitive process. However, not all purchases require that institutions utilize a competitive process by which contracts are awarded to the lowest qualified bidder. In addition, the public bid threshold is set quite high, nearly $100,000, so there is significant latitude to arrange smaller agreements for goods and services without utilizing a competitive process.

For this reason, the Grant Manager must be aware of how they approve the use of funding both in fact and in appearance.

Conflicts of Ethics in Fact

When a Grant Manager has a conflict of interest, in *fact*, it means he is acting in a way that presents an actual conflict of interest for the grant. In other words, a conflict of interest has or is occurring.

- An example is when goods or services are purchased from a family member, paying a *higher* price than the market value.

When it is determined that a conflict of interest, in fact, has happened, most grantors require that the grantee disclose this event to the funding agency. Often this will require that the grantee return money to the institution. It should be noted that when a funding source finds a misappropriation, the grantor generally does not allow the institution to reallocate those funds to another expense, but rather requires the institution to repay the money to the source, meaning that not only must the institution find institutional resources to cover the cost of the original expense, it also loses that much money from the grant award.

Conflicts of Interest in Appearance

A conflict of interest *in appearance* is when something *looks* bad, but is generally not illegal, inappropriate, or at risk to the grant. Based on the facts and circumstances, there may or may NOT be a conflict of interest *in fact.*

- For example, when the spouse of a program director is hired as a consultant and it has not yet been determined if the hiring followed a fair selection process, with market pay rates and a specific verifiable work product, there is a conflict of interest *in appearance.*
- Likewise, if a Grant Manager contracts with a local agency for specific services to the target population and that contract is under the required bid threshold, it may first seem as if there is not conflict. However, upon closer inspection, the agency is managed by a friend, who will benefit financially from the agreement, thus in resulting in a conflict of interest *in appearance.*

Based on the review of how the decision was made to hire the consultant or the vendor, a conflict of interest determination should be made whether or not the conflict of interest is only *in appearance* or if it is indeed a conflict of interest *in fact.*

Grant Managers need to know when they have potential conflicts of interest in both appearance and in fact and when they should involve others in the decision-making process. An important step for addressing this potential challenge to grant integrity is for the Institutional Administrator to review and approve the fiscal decisions of the Grant Manager.

In addition, the Grant Manager should complete the following Conflict of Interest Test in any questionable circumstances.

CONFLICT OF INTEREST TEST
(Taken in part from "How Safe is Your Grant from Conflicts of Interest?" by Lucy Morgan for blog.myFedTrainer.com, September 29, 2019)

6 Questions: Are Your Grants Free from Conflicts of Interest?
Ask these six questions about the grant related to conflicts of interest

1) Related Party Purchases

Were the goods and services purchased from a *related party* such as a family member or business associate of an employee?

2) Related Party Employment

Was a person hired by the organization in a business or personal relationship with someone else in the organization?

3) Outside Influence

Was there *undue influence* by anyone within or outside the organization concerning the choice of a vendor or a sub-grant award decision?

4) Inadequate Competition

Was the procurement made *without* full and open competition, if competition was required?

5) Questionable Consultants

Was a consultant hired *without* using a fair selection process including determining a reasonable pay rate for the specific verifiable type of work to be done?

6) Circumventing Controls

Are managers or others able to *override or circumvent* established procurement controls and policies?

> If the Grant Manager answered *"yes"* to any of these questions, they may be at greater risk of a conflict of interest. They may also be putting themselves at greater risk of grant fraud, while putting the District and its colleges at risk of grant compliance issues, which could impact the awarding of future grant awards or even federal student financial aid.

For more information regarding RCCD's Conflict of Interest Policy, please refer to Board Policy 1710 and 1712, as well as Administrative Policy 1710 and 1712.

GRANT IMPLEMENTATION

The Grant Manager has two basic responsibilities, including

- Program Responsibilities – The Grant Manager is responsible for the development and implementation of grant activities as outlined in the grant work plan and assuring that project goals, objectives, and outcomes are achieved on time. In this capacity, the Grant Manager is responsible for working with many different groups on and off campus, communicating project goals and outcomes, and securing institutional support.

- Fiscal Responsibilities – The Grant Manager is responsible for fiscal accountability and audit readiness. In this capacity, the Grant Manager ensures that grant funds are expended according to the grant agreement and in compliance with institutional, state, and federal accounting policies and procedures. The Grant Manager reviews and approves all expenses for accuracy and ensures that they are allowable, allocable, and reasonable. As part of this function, the Grant Manager ensures that the back-up documentation exists to support grant expenses.

GRANT IMPLEMENTATION

Program Responsibilities

- **Carrying Out the Grant Award Agreement**
- **Achieving Project Goals, Objectives, and Outcomes**
- **Monitoring Project Progress and Requesting Changes as necessary**
- **Evaluating the Project**
- **Communicating Grant Successes**
- **Serving as the Primary Contact with the Program Office**

PROGRAM RESPONSIBILITIES

Carrying Out the Grant Agreement

A grant is an award of funds from a funding source to the college or District to provide specific services or products within a limited time frame, often for a specific target population, and for an agreed upon amount of money. The proposal, negotiated budget, program regulations, and notice of award set the parameters of the project. By requesting money from the funding source, the college is committing to specific outcomes. IT IS A CONTRACT. If there is a breach in contract, the college and/or the District can be held accountable by the funding source.

For this reason, the Grant Manager must be familiar with six essential documents, including:

☐ Original grant proposal, specifically the project goals, objectives, outcomes, and activities. This is the grant's plan of action or work plan.

☐ Negotiated budget. The budget is a key component of the contract.

☐ The initial Request for Proposal or Request for Application that generated the grant.

☐ Program policies, procedures, and requirements, including state and/or federal regulations, statutory provisions, and the legislation that initiated the grant, if funded with state or federal funding. Grant Managers must also comply with District and/or college policies and procedures, which may exceed those required by the granting agency or other state/federal regulations. It should be noted that some grants awarded by the state are federally funded, passed through to the District through the state. As such, it is essential that the Grant Manager know the initial source of funding.

☐ Notice of award, which includes the project's award number, the Program Officer, and other essential information.

☐ Operational budget for the project as inputted into the District's financial system by the Office of Business and Financial Services: The Grant Manager should review the operational budget in the District's financial system and compare it to the grant budget included in the grant award agreement, particularly with regard to object codes and line items. RCCD establishes its operational budgets based on guidelines set by the State of California. As such, there should be very little discrepancy, if any, between state-funded grant budgets and the budget inputted in the financial system. However, federal agencies and other non-state grantors may utilize different cost classifications and object codes than the state utilizes. As such, the Business Services team works with the Institutional Administrator and/or the Grant Manager to "translate" non-state grant budgets so that they align with state budget codes. However, when the Grant Manager submits financial reports to the federal granting agency, reported expenditures must align with federal object codes. Thus, the Grant Manager must identify an effective means of reconciling and tracking the numbers in the financial system with the federally approved budget.

Upon review of these documents, the Grant Manager shall be able to answer the following questions:

Proposal Review Questions:

☐ What are the start and end dates of the grant award? Do they coincide with the timeline included in the proposal? They may not, as it is often unclear during the pre-award process when funds will be available. If the dates do not coincide, the Grant Manager will need to revise the work plan as necessary.

☐ What student, faculty, program, employer, or community need generated the proposal? What is being done now to address that need? It can be up to a year between the time a proposal is written and the time it is funded. During this period, many things can change. Most grants are flexible enough to accommodate minor changes due to institutional changes that have occurred since the proposal was submitted. However, if these changes are substantial, the Grant Manager may need to revise the plan and seek pre-approvals from both the Institutional Administrator and the Program Officer.

☐ Who is responsible for achieving grant objectives? Is it the Grant Manager and grant-funded project staff? Or will the grant team be working within other departments on campus? If so, who are the key contact people and how will they come together? Are they aware of the grant?

☐ What results have been promised to the funding agency? How will the grant demonstrate that these results have been achieved? These are generally not negotiable, except with a solid rationale and prior approval from the Program Officer.

☐ What special populations will the project serve, such as students from traditionally underrepresented racial/ethnic groups, women, individuals with disabilities, unemployed, or economically disadvantaged? Perhaps employers, community partners or the K-12 system? How will the college pick participants? Are there any populations that cannot be served? What are the requirements for receiving services? These are very important questions because there are some grants that will not allow grant funds to be spent on ineligible participants. If they are, the college may need to return money.

☐ What personnel are authorized in the grant? What are their responsibilities? Will the grant need to hire new staff or reassign existing staff? It can take significant time to hire new staff, so the Grant Manager will need to begin this process as soon as possible.

☐ Does the grant proposal include external partners or collaborators? If so, do these relationships exist? If not, what will the Grant Manager need to do to establish these relationships? Do these partners know that the grant was funded? Will these partners receive grant funds? If so, is there a subcontract agreement in place? Many grants require partners because the funding source knows that the grant will not be successful if the grantee does not partner.

☐ Does the Grant Manager understand all of the technical jargon or special language used in the proposal? If not, refer to the funding regulations, the Grants Office, the Grant Writer, and/or other key institutional resources?

Negotiated Budget Review Questions:

☐ Is the negotiated budget the same as the budget proposed in the initial grant application? If not, has a revised budget been sent to the funding source? The funding source has the discretion to reduce the size of the grant award. If they do, we may be able to negotiate a change in scope, outcomes, or activities to accommodate the reduced funding. However, do not contact the funding source without first speaking with the Grants Office and/or the Institutional Administrator.

☐ Does the grant require an institutional match? Where will the matching funds come from? How will the college document the match? Please refer to the Match Section of this handbook for more information.

☐ Have activity timelines or objectives changes? Will this impact the budget?

☐ If the grant is already underway, have there been any expenditures? How do these expenditures align with the proposed and negotiated budgets?

Regulation Review Questions:

It is the Grant Manager's responsibility to know grant award conditions and requirements. All grants are different, so the Grant Manager cannot expect the Grants Office or Business Services to know the specific details of the grant. It is very important that the Grant Manager understands the state and federal regulations that apply to the project. These may be written in the Federal Register announcement, the authorizing legislation that approved the grant, the Request for Proposal, and/or department-specific rules and regulations, including the U.S. Department of Education's General Administrative Regulations (EDGAR) or the National Science Foundation's Proposals and Awards Policies and Procedures Guide (PAPPG). In addition, sometimes, grant regulations are attached to the award letter, particularly for state and local grants. Additional information is also distributed during new grantee orientations conducted by the funding source. Upon review of this information, the Grant Manager should be able to answer the following questions:

☐ Does the Grant Manager have a copy of the department-specific rules governing the grant?

☐ What are the eligibility criteria for participation in this program?

☐ What activities are allowable and unallowable?

☐ What costs are allowable and unallowable?

☐ Is travel authorized? Are there any limitations on out-of-state travel?

☐ Can the grant fund equipment? Are there any restrictions on equipment? Who owns the equipment?

☐ Are there any special guidelines to follow in procurement?

Notice of Award Review Questions:

The award notice authorizes the expenditure of grant funds. Without an award notice, Fiscal Services will not set up an account code, and the grant will not be able to spend money. In most cases, however, the college will receive the award notice prior to hiring a Grant Manager. There should be a copy of the award notice in the grant file. The award notice may include a separate contract that outlines the responsibilities of the grantee and the grantor. If the award notice does not include a separate contract, then the initial grant proposal is the contract of performance. Other items to remember:

☐ What is the grant number? (You will need to include this number on all communications with the Program Officer.)

☐ 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?

> ***REMEMBER: The Grant Manager is the institution's expert for this grant. While the Grants Office and Business Services are available to assist, it is the Grant Manager's responsibility to know the details of their grant and to ensure compliance with federal, state, local, and institutional rules, regulations, and requirements.***

Achieving Project Goals and Outcomes

The initial grant proposal is the institution's contract with the funding source. It is what the institution committed to doing in exchange for the money. For this reason, significant revisions in the direction of the project are generally unallowable without prior approval from the funding source. These changes in project scope include:

1) Changes in grant goals or objectives; and
2) Changes in grant outcomes.

If the Grant Manager, working in conjunction with the project team, determines that the institution cannot achieve grant goals as written or if achieving the grant objectives is no longer part of the vision of the institution and/or the targeted program(s), the Grant Manager must first ask permission from the funding source to make changes in project scope. However, prior to contacting the Program Officer, the Grant Manager should discuss these changes with the Institutional Administrator, the Grants Office, and the assigned Accounting Technician.

In cooperation with the Grants Office, the Grant Manager will then contact the Program Officer at the funding agency to determine the procedure for requesting changes in the scope of the grant and discuss the likelihood of getting approval for the change.

> *The Grant Team cannot make changes to the project work plan that alter the scope or outcomes of the project until the institution receives official written approval from the funding source. Likewise, grant funds should not be obligated for outcomes that are not yet approved by the funding source.*

It is becoming increasingly harder to negotiate changes in the scope of work once the grant is funded. Therefore, it is imperative that the Grant Manager, with support from the project team and the Grants Office, is able to articulate the reasoning behind the change. It is insufficient to say that the objective is unattainable. If grant staff say this, the Program Officer might very well say, "then, why were funds requested for this project? The grant was awarded based on the assumption that the institution could produce the outcome. If the awardee cannot produce, then please return the money."

As a new addition to the grant team, it is quite likely that the Grant Manager was not involved in the writing of the initial grant application. It is also quite likely that the Grant Manager has more expertise in the area of focus than the individuals who wrote the grant. For this reason, it is important that the Grant Manager review grant goals, objectives, and outcomes, as well as the proposed work plan, and work with the Institutional Administrator and/or the Grants Office as soon as there are concerns that a goal or outcome may not be achievable. The institution will not hold the Grant Manager accountable if concerns are justified.

Monitoring Grant Progress and Requesting Changes

Although changes in grant goals and outcomes are generally not allowable without prior approval, most grants will allow an institution to change the manner in which it will achieve its goals and outcomes. Changes in activities and subsequent changes in budget are generally allowable without prior approval as long as these changes do not alter the overall scope of the grant. There are exceptions to this rule, so it is important to know the specific limitations of the grant.

Notable Exceptions that Apply to Many Grants

1) In almost all cases, it is unallowable to expend funds in a budget category/line item, such as supplies, travel, equipment, or salaries, that was not allocated funding in the initial grant budget. In other words, if the approved budget has $0 in the travel line item, the Grant Manager may not be able to travel without prior approval. If the Grant Manager want to expend money in an unfunded category, the Grant Manager should review the grant agreement to determine if he must obtain prior approval before making the change.

2) For grant-funded projects that provide training stipends and/or other forms of direct assistance to project participants, it is generally not allowable to move money from this category to another category without prior approval.

3) Equipment is an area that many Program Officers scrutinize more closely than other expenses. As such, if the need arises to purchase a piece of equipment with a unit cost of more than $5,000 that was not initially budgeted in the grant, the Grant Manager may need to request prior approval from the Program Officer. In addition, changes to the proposed equipment purchases may need to be pre-approved by the Program Officer. For example, if the initial grant application indicated that the grant would buy a 3D printer and then the project team decided to purchase a high-end camera instead, the change may need to be approved by the Program Officer. The Grant Manager should always review the grant agreement before calling the Program Officer.

4) The Contractual line item is another area that Program Officers monitor closely. Prior to moving additional funds to the contractual line item, the Grant Manager must request prior approval from the Program Officer. This action is necessary because many funding sources have stipulations in the grant agreement that indicate if the grantee is going to subcontract funds to another entity to carry out one or more activities in the grant, the funding source must approve that entity. NOTE: Contracting out a grant objective is different than hiring a consultant to perform a service.

Much of the initial correspondence with the Program Officer can be made via email. However, if the Program Officer indicates that a formal request must be made to the funding source, this request must come in writing.

Evaluating the Project

Nearly all grants require that the project provide both output and outcome data as part of a comprehensive evaluation plan that assesses both formative and summative activities. Some projects are even designed as research grants, where the project is assessing the impact of specific activities on pre-determined outcomes. The grant application will identify the type of evaluation required and will include a tentative evaluation plan.

Upon award notification, the Grant Manager will need to review the evaluation plan outlined in the grant application, revise as necessary, and initiate the plan for collecting, assessing, and reporting this information as the project team begins to implement the grant. It is crucial that evaluation is considered at the start of the project as it is very difficult to gather evaluation materials after the fact.

If the grant requires an external evaluator and the evaluator is not identified in the grant application, the Grant Manager will need to work with the Institutional Administrator, the Office of Institutional Research, and/or the Grants Office to identify this person. One of the best resources for finding qualified evaluators locally, regionally, or nationally is the Evaluation Center at Western Michigan University (https://wmich.edu/evaluation). The Grant Manager will also want to get references from other project directors at RCCD and within the grant community.

Once an evaluator is identified, the Grant Manager will work with the assigned Accounting Technician and the Purchasing Department to complete the Contract Transmittal Process. Additional information regarding contracting with a consultant can be found on the Purchasing Department website at:

https://www.rccd.edu/admin/bfs/Documents/purchasing/procedures/Contract_Transmittal_Procedures.pdf

However, depending on the grant funding source, other regulations may apply, and as such the Grant Manager should always refer back to the grant award agreement, if there are any questions or concerns.

If the grant does not specify that the college will hire an external consultant, the Grant Manager will need to conduct an internal evaluation and report the results to the funding source as requested.

> ***If the Grant Manager has any concerns regarding the grant's evaluation plan, they should contact the Grants Office and/or the Office of Institutional Research as soon as possible.***

Communicating Grant Successes

One of the most important, yet often overlooked, tasks of the Grant Manager is reporting to internal and external constituents the successes and challenges of the grant project in meeting its goals and objectives. The funding source will outline its reporting requirements in the award letter, the attached contract, and/or in follow-up correspondence. ***It is the Grant Manager's responsibility to complete and submit these reports on time.***

The Grants Office, at both the college and District level, is available to assist with the completion of these reports and will edit reports upon request. Most reports should be signed by the Authorized Organizational Representative (AOR) or designee, IF a signature is necessary, so the Grant Manager should complete the reports two or three days prior to the deadline date to allow time for executive review and approval. As a reminder, the AOR is the person who submitted and accepted the grant award. For all federal awards to the individual colleges, it is the college President; for all state awards, it the District Chancellor.

Many mid-year, year-end, and final reports require a financial report as well as a narrative report. The assigned Accounting Technician will help the Grant Manager with the required fiscal reports. The Grant Manager should retain a copy of both the fiscal and narrative reports and send a copy of these reports to the District Grants Office.

In addition to informing the funding source of the successes and challenges of the grant-funded project, the Grant Manager should develop a plan for engaging and informing the college and/or District community, as well as external grant partners and other interested constituency group. Effective methods of doing this include:

- ☐ Program web site;
- ☐ Internal College Newsletter;
- ☐ College- or District-wide project announcements;
- ☐ Project advisory boards or steering committees; and
- ☐ Articles in the local newspaper.

For College- or District-wide project announcements and all activities involving the local media, please contact the college's Public Information Officer.

Serving as the Primary Contact with the Funding Source

> ***The Grant Manager is the primary liaison with the funding source, and it is very important that the funding source considers the Grant Manager its primary liaison.***

The Grant Manager is the only person who should be initiating contact with the funding source, unless they are unavailable and an issue must be immediately addressed. However, the Grant Manager should inform the Institutional Administrator, the Grants Office, and/or the assigned Accounting Technician of any discussions that she has with the funding source that may positively or negatively impact the grant-funded project and/or the institution.

It is important for the Grant Manager to establish a relationship with the Program Officer as early in the grant award as possible, so as to facilitate future contacts with the Program Officer. Therefore, one of the first tasks the Grant Manager should do accepting the position is to call or email the Program Officer to introduce themselves. Ideally, the Grants Office or Institutional Administrator will have already informed the Program Officer that the Grant Manager is now directing the project and serving as the college's primary liaison. However, the Grant Manager may want to confirm with the Institutional Administrator and/or the Grants Office that they have informed the Program Officer that the project has a new Grant Manager. If the college has not completed this task, the institution will need to send a copy of the Grant Manager's resume and/or other documents to the Program Officer.

While it is considered a best practice to communicate frequently with the Program Officer, the Grant Manager should not necessarily contact the Program Officer every time there is a question. As such, the Grant Manager should reach out to and consult with the Grants Office and/or the assigned Accounting Technician before reaching out to the Program Officer.

GRANT IMPLEMENTATION

Fiscal Responsibilities

- **Setting up the Grant Account**
- **Monitoring and Reconciling Grant Budget**
- **Expending Grant Funds**
- **Documenting Expenditures**
- **Ensuring Audit Readiness**
- **Other Financial Actions**

SETTING UP THE GRANT ACCOUNT

Each grant awarded to the District and/or its colleges has its own operational budget in the institution's financial management system, in accordance with both institutional policy and funding agency guidelines which prohibit the commingling of funds. RCCD utilizes the Galaxy financial management system to track its budgets with the Office of Business and Financial Services assigning unique budget strings to every source of funding, including grants and contracts. Not only does this separate accounting structure facilitate accurate fiscal monitoring, it helps prepare the grant and the institution for audit review and compliance. When the Board of Trustees receives the request to accept the grant award, the Office of Business and Financial Services attaches an operational budget page to the action item which outlines the grant budget by object code. This is the budget that the assigned Accounting Technician will use to set up the project budget as soon as it is approved by the Board.

This budget must be set up before personnel paperwork and other expenditures can be processed. As such, it is highly likely that Business Services will have already identified at least one account code and project budget prior to the hiring of the Grant Manager. ***However, one of the first tasks that the Grant Manager must do is meet with Business Services and the assigned Accounting Technician to determine if the budget is accurate and that sufficient funding is allocated to the correct object codes.***

Before the Grant Manager meets with the assigned Accounting Technician, here is some basic information about account codes:

RCCD's account codes have 22 digits with each set of digits serving as an identifier for an essential piece of information. A standard grant account number will include the following:

<div align="center">

12 xxx 1190 0 xxxxx xxx xxxx

</div>

12 Identifies the type of funding, specifically whether the funds are restricted or unrestricted. All grant funding is identified as restricted funding, meaning that it is not part of the state allocation based on enrollment and that it has specific uses and reporting requirements. All restricted funds begin with 12, while unrestricted accounts begin with an 11.

xxx Identifies the location of the project. If the Location Code begins with an A, the grant is housed at the District office, while a D is Riverside City College, an E is Norco College, and a F is Moreno Valley College. The second and third fields in the Location Code identify the department/program/discipline within the institution that will manage the grant.

1190 Identifies the account string as a grant or categorical program.

0 Identifies the project year; however, the District is not currently using the project year code.

xxxxx Identifies the department, discipline, or program to which the expense relates, such as the Journalism Department, EOPS, or the Library. In most cases this is the department that will manage the grant, although there are some grants that impact more than one department and will have more than one account string to denote this.

xxx Identifies the Grant or Special Revenue Programs code, also known as the SPP, which identifies the grant program funding the project, such as Title V or ATE.

xxxx Identifies the object code, which defines the type of expense, such as salaries, benefits, supplies, equipment, travel, etc. A complete list of object codes is available in the Chart of Accounts available on the District Grants Office webpage and/or from the college Grants Office. It is also available on the District's intranet.

Some grants may require more than one account code, particularly if the Grant Manager wants to track more than one budget within the grant award. This may be necessary if there is a subaward or if there are two or more distinct activities outlined in the grant, such as in Title III or Title V. In addition, some grants require that the institution track direct and administrative costs separately and/or that administrative costs are kept to a certain percentage of direct costs. In many cases, grants that have more than one budget included in the grant application will require more than one account code.

Once there is an approved account code or codes, the Grant Manager must develop a grant budget that is in sync with RCCD's budget categories. Often, particularly for federally funded grants, the budget outlined in the grant proposal will not align with RCCD's budget line items, as federal object codes are different than state object codes. ***For this reason, the Grant Manager will need to convert the budget proposal in the grant application to align with state object codes.***

As the Grant Manager transforms the grant budget, they must be aware that any significant revisions to the budget, such as changes to major object codes, in either the District's financial system must or the approved budget included in the Grant Award Agreement must be approved by the Board of Trustees or the Grantor's Program Officer, respectively. The Grant Manager will want to work with the assigned Accounting Technician to determine if the proposed changes require board-approved realignments and with the Institutional Administrator and Grants Office to determine if the proposed changes require Program Officer approval.

> ***It is essential that the Grant Manager understand the differences between the budget that is included in the grant application and reported to the Program Officer and the budget that is submitted to Business Services and included in the District financial management system.***

MONITORING AND RECONCILING GRANT BUDGET

It is the responsibility of the Grant Manager to regularly monitor the grant budget for accuracy and completeness, working with the assigned Accounting Technician to the extent necessary. To facilitate this monitoring and ensure audit readiness, the Grant Manager shall keep a record of all grant expenditures and the documentation necessary to support those expenses.

Although this may appear to be a duplication of effort, the two separate tracking systems provide a check and balance in case of errors. In addition, if the Grant Manager tracks the grant budget as outlined in the grant application and then reconciles it with the monthly financial reports provided by Galaxy, it will be easier to complete the annual grant reports.

The simplest and most effective method of tracking grant expenditures is to develop a spreadsheet to track encumbered and actual costs by grant object codes (salaries, benefits, travel, supplies, equipment, contracts, other, etc.). While the budget in the District's financial management system will align with state object codes, the Grant Manager should build this internal fiscal tracking spreadsheet according to the object codes outlined by the funding source. This will facilitate grant reporting. The District Grants Office can help the Grant Manager set up an internal grant accounting system. NOTE: State grants use the same object codes as the college and as such, there will be no differences between budgets.

At the end of each month, the Grant Manager should reconcile actual charges made to the grant with encumbered charges still outstanding to ensure that nothing was mistakenly charged to the grant. It is also good practice to compare the actual costs of goods and services charged to the grant with the proposed or anticipated cost to ensure that there were not any unexpected costs or purchases. At times, expenses are erroneously charged to the wrong account, and it is the Grant Manager's responsibility to identify these costs, both those that are charged to the grant in error and allowable grant expenses that are charged to other accounts in error. During this monthly review, the Grant Manager should pay particular attention to the following and contact their assigned Accounting Technician to resolve any discrepancies:

- ☐ An actual expense that was significantly more or less than the encumbered amount;
- ☐ An encumbered expense that is never charged to the grant;
- ☐ An actual expense that was not approved by the Grant Manager; and
- ☐ Salary expenses that seem too high or too low.

A monthly audit of all expenditures is the best method of ensuring that the budget is spent accurately and in a timely manner. It is essential that the Grant Manager review the status of the grant budget on a monthly basis, preferably after monthly payroll charges have been entered into the financial management system so that those costs can be monitored accurately as well.

> *The Grant Manager must remember that the assigned Accounting Technician may not do an indepth review of whether or not an item is allowable, but only whether the financials are correct. It is the Grant Manager's responsibility to ensure that the charges are accurate, reasonable, and allocable.*
>
> **If something doesn't seem right, the Grant Manager should ask the assigned Accounting Technician.**

EXPENDING GRANT FUNDS

Purchasing: People, Supplies, Equipment, and Travel

Once the grant team decides how it is going to achieve its goals and objectives, the Grant Manager must authorize the purchase of resources necessary to implement these activities.

Human Resources

For most grant budgets, the largest line item is Personnel. However, this can be one of the hardest line items to spend. Subsequently, many Grant Managers carry forward funds from one year to the next on multi-year grants because they do not hire grant personnel in a timely manner. For this reason, it is very important that the Grant Manager work closely with the Institutional Administrator and the Human Resources Office to identify staffing needs and hire new employees as soon as possible.

There are three types of employees that a grant may support and multiple methods for hiring each as outlined in the following table:

Employee Classification	Employment Options	When to Utilize (Not an inclusive list)
Academic Administrators: Administrative exempt, salaried employees engaged in activities that support instructional activities and outcomes	New Hire	1) Project requires a dedicated director or administrator to carry out one or more key activities, such as project management; 2) Multi-year grants when there is sufficient time to conduct a search 3) Dedicated time to grant is 50% or more 4) Institution plans to sustain the funded program
	Reassignment	1) Project requires a dedicated director or administrator to carry out one or more key activities such as project management; 2) Existing personnel have the skills, experience, and time to work on grant 3) Single year grants that do not allow for a competitive search 4) Dedicated time to grant is less than 50% 5) Grant award is not large enough to support 50% or more time
Classified Professionals: Non-exempt, permanent positions that provide administrative	New Hire	1) Project requires a dedicated staff to carry out one or more key activities, such as Grant Administrative Specialist 2) Multi-year grants when there is sufficient time to conduct a search 3) Dedicated time to grant is 50% or more 4) Institution plans to sustain the funded program

and infrastructure support and leadership	Reassignment	1) Project requires staffing to carry out one or more key activities such as instructional design or educational advising 2) Existing personnel have the skills, experience, and time to work on grant 3) Single year grants that do not allow for a competitive search 4) Dedicated time to grant is less than 50% 5) Grant award is not large enough to support 50% or more time 6) Sustainability is not a factor
	Temporary Hourly	1) Existing personnel do not have the skills, experience, and/or time to work on grant 2) Time is of the essence 3) Dedicated time to grant is less than 50% 4) Sustainability is not a factor
Faculty: Tenured and Adjunct Faculty may work on a grant in an instructional or non-constructional capacity	Course Reassignment	1) Dedicated time to grant is 20% or more 2) Faculty member does not have sufficient time to participate without course release 3) Grant award is large enough to support faculty salary and benefits
	Special Projects	1) Dedicated time to grant is less than 20% 2) Work is set for Winter or Summer 3) Grant award is not large enough to support salary and benefits 4) Faculty member requests extracontractual pay over release time

Usually the type of employee and the method of employment is spelled out in the grant application, although not always. It is good practice to review the staffing plan in the application and determine if it is still relevant and appropriate.

General Rules:
- Grants seldom fund new permanent administrative positions. The exception to this rule is if the grant award is funding an institutional priority that requires long-term leadership and direction. If so, sustainability is a factor, and the grant team should begin discussing institutionalization from the beginning.
- Grants seldom fund new classified professionals, as these individuals become permanent staff with reassignment rights when the grant award ends, meaning that they can bump individuals in similar non-grant positions hired after them when the grant ends. The grant team may consider hiring new classified professionals if they will support an institutional priority that the District or college intends to sustain and/or if the staff member will support a multi-year grant project with a high likelihood for renewal, such as TRIO programming.

Hiring Process – New Employees (both academic and classified)
Hiring new employees to work on a grant can take three to six months depending on the position and other hiring priorities. As such, this process should begin as soon as possible. For nearly all positions, the Grant Manager will follow the process established by RCCD's Human Resources and Employee Relations (HRER) Office, as outlined below:

1. Obtain job description
    a. Pull from HRER site https://www.rccd.edu/admin/hrer/Pages/jds.aspx   OR
    b. If new job, create job description
2. Submit application through approval process
    a. Upload through https://pa379.peopleadmin.com/userfiles/jsp/shared/frameset/Frameset.jsp?time=1605814728359
    b. If new job, submit job description to HRER for review
    c. Once approved, follow step 2/2a
3. Hiring manager determines hiring committee
    a. Union representation included
4. Hiring manager submits hiring committee names to HRER Diversity staff
    a. Hiring committee names
    b. Manager hiring committee names
5. HRER recruiter is assigned to oversee hiring process
6. Committee members meet with HRER recruiter and hiring manager
    a. Brief update to hiring committee on what hiring manager is seeking
    b. Select questions for first round interviews
7. Hiring committee reviews applications and meets to determine best suited interview candidates
8. Selected candidates are interviewed with HRER recruiter and hiring committee
    a. Hiring committee rates candidates and top candidates are sent to hiring manager committee
9. Final interviews are scheduled
10. Hiring manager committee reviews applications
11. Hiring manager committee interviews candidates and candidate is selected
12. Hiring manager conducts reference checks
13. Offer is made to candidate by HRER recruiter
14. Background check and fingerprinting is completed
15. HRER processes hiring documents for Board of Trustees Regular meeting
16. BOT Regular meeting approves candidate on agenda
17. Start date follows Board of Trustees approval

Staff Reassignment (both academic and classified)   To reassign someone to a grant, the Grant Manager will work with the Institutional Administrator, the individual's supervisor, and the assigned Accounting Technician to adjust payroll allocations. **It must be noted that grant funds cannot be used to save the institution money, meaning that grant funds cannot be used to free up institutional resources that are then redirected away from their budgeted purpose.** The expectation is that if an academic or classified person is reassigned to a grant that the institutional resources initially budgeted to support that person will be used to replace that person for the duration of the grant or will otherwise be used to support the grant program. Please refer to Supplanting vs. Supplementing in the Handbook.

Classified Hourly   The Grant Manager may hire a short-term employee on a limited basis when needed to achieve a specific grant task or outcome. A short-term employee is a temporary employee, exempt from classified service, hired to perform a service that is not needed on a continuing basis. Short-term employees are limited to 160 days per fiscal year, so if a grant needed hourly support in an area where there wasn't already a classified position, the grant could hire a short-term employee. HRER has a list of positions that are available for temporary hires. More information on the hiring process and current request form is available here: It should be noted that employees may not begin working before the Short-Term Employee Assignment Authorization Form is completed and approved and all other required employment documentation is submitted to HRER. The Grant Manager shall provide a realistic estimate of the length of the short-term assignment and avoid using an assignment end date of June 30th unless the assignment realistically ends on that date. The Grant Manager is responsible for checking the grant budget and confirming adequate funds are available to support the request.

Faculty Reassignment   The Grant Manager will work with the grant team, including the faculty targeted for release, the Program Chair, and the Instructional Dean overseeing the Instructional Program, to identify goals, activities and outcomes for the proposed project. The Grant Manager will work with the Institutional Administrator and the Instructional Dean of the department in which the faculty member instructs to adjust the teaching assignment for the faculty member. The faculty member will then complete monthly time and effort reports for as long as they are receiving release to work on the project. Reassignment must be revisited and renegotiated each semester. When projecting costs for reassigned time, it is important to remember that a percentage of the faculty member's full benefits (including health and wellness) is charged to the grant. This significantly increases the cost of reassigned time.

Faculty Special Projects   The Human Resources and Employee Relations Office oversees the development and disbursement of Faculty Special Projects. A Faculty Special Project is one of the best methods to compensate faculty for their participation on a grant. A Special Project Request (SPR) is an extracontractual stipend paid to a faculty member for his time and effort on a grant. Unlike faculty reassignment, with an SPR, the grant is not charged the faculty member's full benefit rate, saving the grant significant money and offering faculty additional money. Granted faculty will have to work additional hours, but for additional pay. To secure a Faculty Special Project, the Grant Manager will complete the Faculty Special Project request distributed by the Human Resources Office at the start of every session.

Faculty may receive Special Project pay up to .6700 FTE. The Grant Manager must notify the instructor's dean and the Instructional Department Specialist to ensure that the .6700 FTEE maximum is not exceeded. If a project extends from one instructional session to the next, a new SPR is necessary each term. There are two types of Special Projects, including Lump Sum Pay and Hourly Rate.

For a Lump Sum Special Project, the faculty member receives one lump sum payment when they complete an agreed upon task, say curriculum development, pathway development, faculty inquiry project, or outreach to the local schools. With a Lump Sum Special Project, there is no expectation that a faculty member will work a specific number of hours. As such if the project requires a certain number of hours in a lab or working with students, a Lump Sum Special Project is not the best method of payment. To develop a Lump Sum Special Project, the Grant Manager works with the faculty member and other members of the grant team to determine the focus of the project, proposed deliverables, and compensation. Generally, there is agreement among the parties how long it will take to complete the project. However, the faculty member does not need to stick to a certain number of hours and does not need to track how many hours they work on the project, as they will be paid upon completion of the project, regardless of the actual number of hours the project requires.

For an Hourly Rate Special Project, the faculty member is paid at their lab rate for the total number of hours worked. An Hourly Rate Special Project is used when it is not known how long it may take to complete a task and the Grant Team wants to fairly compensate the faculty member for his time. It is also used when the project deliverable is in fact a certain number of hours worked, say as a tutor or mentor. The Grant Manager should only consider an Hourly Rate Special Project with faculty with a good history working on grant projects and when the Grant Manager has sufficient time to monitor the project's progress. The Grant Manager will work with the grant team, including the Faculty member who will receive the special project, to identify goals, activities and outcomes for the project.

Both Lump Sum and Hourly Rate Special Project Requests must be approved by the Board of Trustee and may take longer to process. It should be noted faculty are only paid if they complete the deliverables outlined in the SPR. More information regarding the SPR calculations is available here: https://remote.rccd.edu/portal/webclient/index.html#/desktop

Student Workers: A grant-funded project may want to hire student workers to provide assistance with the project, while offering the student hands-on learning and resume experience. Grants may hire federal work-study student workers or student help workers. The difference is that federal work-study student workers do not cost the grant as much money because the college uses federal work study dollars to offset the cost of the student help. However, not all students qualify for federal work study, so there are limitations in who the grant can hire. To hire student workers of either type, the Grant Manager will need to work with the Student Employment Office at the college.

Travel

Prior to authorizing grant-funded travel, the Grant Manager must ensure that the grant allows travel and that there is funding set aside for travel. Most grants do not allow international travel, including travel to Canada and Mexico, without prior approval from the Program Officer. In addition, many state-funded grants do not allow out-of-state travel, so it is essential to review the grant agreement before travel occurs. All travel must be related to the goals, objectives, and outcomes of the project. If the grant includes a large travel budget, such as for faculty/staff professional development, the Grant Manager may want to develop a form that travelers will complete prior to travel that outlines how the travel is related to the goals of the grant.

If travel is an allowable cost in the grant, the Grant Manager and anyone traveling on grant funds will utilize the District's travel system, Concur. Concur is a web-based, integrated travel and expense management solution that centralizes and consolidates the travel request, booking, out-of-pocket expense reimbursement, and cash advance processing. Concur is accessible at https://go.rccd.edu/sso/default.aspx. Concur provides a paperless option for requesting authorization to travel and submitting travel expenses for reimbursement. In addition, the traveler may book all or some of the travel through the Cal Travel Store embedded in the Concur system.

In-State Travel: Requests for travel within the State of California, and/or within 500 miles from an employee's primary worksite, are to be submitted to appropriate administrator for approval at the earliest possible time, but no later than ten (10) days prior to the date of travel.

Out-of-State Travel: Requests for travel outside the State of California and beyond 500 miles from primary work site, including international travel, require that a travel request form be completed an approved by an appropriate administrator and by the Board of Trustees before the travel occurs. To meet Board deadlines, travel requests for college personnel must be submitted to the college Vice President of Business Services no later than 30 days prior to travel. Likewise, travel for District employees must be submitted to the District's Budget Manager no later than 30 days prior to travel. The college Vice Presidents and the District's Budget Manager will forward completed travel requests to the Chancellor's Office by the Board report deadlines.

If the Grant Manager is utilizing federal grant dollars to travel internationally, federal grant requirements state that travelers must utilize U.S. flag air carriers. These are carriers holding a certificate under section 401 of the Federal Aviation Act of 1958. There are few exceptions to this requirement, namely if a U.S. air carrier cannot provide the necessary air transportation.

STEPS FOR REQUESTING TRAVEL AUTHORIZATION

1) If the traveler is new to the District, the first step necessary to utilize Concur is to set up a travel profile. This may take some time, so if the grant will include a lot of travel, say for faculty professional development or new program research, the Grant Manager may want to encourage potential travelers to complete this step as soon as possible.

2) Once the traveler is in the system, the traveler will complete the travel authorization request, which includes an estimate of all costs associated with the proposed travel.

3) Via Concur, the Grant Manager will review and approve all requests to travel by faculty and staff who are traveling with grant funds. While the faculty or staff member may obtain the authorizing signature of their department chair or supervisor to travel, **the Grant Manager must approve and sign the request as well.** Remember the Grant Manager is the only person authorized to approve the use of grant funds.

Once the Grant Manager and/or other personnel have received authorization to travel, they will use Concur to book their travel arrangements or arrange their own travel plans, including airfare, hotel, and other travel needs. By using the Concur system, airfare and lodging will be paid with the RCCD credit card. More information on how to submit a travel request in Concur can be found in the RCCD Concur Manual at
https://www.rccd.edu/admin/bfs/Documents/purchasing/procedures/Concur_Training_Manual.pdf.

The District also utilizes American Express GO (AmExGO) cards to pay for expenses outside of the Concur system, including conference registration fees. The AmExGO card is preloaded by the Purchasing Department and can then be used by the traveler to make their reservations.

REQUESTING REIMBURSEMENT FOR TRAVEL EXPENSES
Upon completion of the approved travel, the traveler will utilize the Concur system to request reimbursement for travel. RCCD reimburses on actual costs, not state or federal per diem rates, so travelers must keep copies of all of receipts, including airfare, hotel, taxi, food, and parking receipts, as the institution will reimburse for what was spent based on the receipts submitted. Please note that the traveler should not exceed the maximum approved amount noted on the initial Conference or Meeting Authorization Request Form. If there are unexpected costs that are allowable by the grant and the institution that exceed the authorized amount, the traveler and/or Grant Manager will need to submit a revised Travel Request Form. The Itemized Expense Reimbursement form should be submitted within 30 calendar days of travel; however, reimbursement requests for travel in the month of June must be submitted by July 15th to ensure a timely District budget closeout. Once submitted, the traveler should receive reimbursement within two weeks.

In addition, many state and federal grants have specific grant award conditions that limit travel reimbursement to federally set per diem rates. These rates outline the maximum amount allowed for reimbursement for lodging, food, and incidental expenses in geographic locations throughout the country. Exceptions can be made if the conference is in a hotel that costs more than the stated per diem rate; however, this should be documented in the grant files. Please note, under no circumstances will the District reimburse employees for alcohol purchases, entertainment that is not related to the approved travel (including in-room movies), laundry, family member meals, car washes, fuel for the employee's personal vehicle, additional hotel rooms or costs of any kind for family members who accompany employee, or any other expenses determined by the District and/or college to be unreasonable, excessive, non-business related, or a misuse of public funds.

Local Travel

It is likely that the grant team will take local trips for grant-related business. Local travel is defined as within 50 miles of the employee's primary worksite. A Travel Request is not necessary for local travel where the only reimbursable expense is mileage. However, a travel request must be prepared for local travel that involves pre-payment and/or reimbursement of conference fees, meals, mileage, and/or incidental expenses.

Grant staff may receive mileage reimbursement for local travel by completing the Monthly Mileage Report, which is available in Concur. The District utilize the standard IRS mileage rate to calculate mileage reimbursement. This rate is set by the federal government and varies from year to year. The current rate is available in Concur. If a member of the grant team travels on a monthly basis, he/she should submit the Mileage Report Claim on a monthly basis as well. However, if the travel is infrequent, the traveler may want to submit the Mileage Report Claim after each trip.

Supplies and Equipment

All Supplies and Equipment must be ordered via a purchase requisition/purchase order utilizing the process established by RCCD's Purchasing Department. The purchasing process is governed by RCCD AP5340 and outlines the steps necessary to move forward with a purchase.

RCCD utilizes Galaxy, which is the Riverside County Office of Education's Electronic Financial System, to facilitate an online and paperless requisitioning process. To purchase supplies and equipment, the Grant Manager will enter a requisition in Galaxy. Requisitions are routed to approval queues based on the Fund/School/Resource/Goal/Function segments of the Chart of Accounts. Galaxy approval queues allow automatic routing of financial transactions from the transaction originator to one or more individuals for approval. Once a requisition enters an approval queue, the system sends the requisition to the appropriate approvals in the sequence established on the requisition. For all grant expenditures, the approval queue must include the Grant Manager, the Institutional Administrator, and budget control. Additional approvers may be necessary depending on the item purchased.

Use of Galaxy Financial System ensures that appropriate review of the financial transaction is conducted before the transaction is posted to specific funds and accounts in the General Ledger. Only after the transaction is approved at all appropriate levels is it routed to the Galaxy Purchasing Queue for purchase order processing.

Approvers will be able to either approve or disapprove requisitions. When an approver disapproves a requisition, the purchasing process stops, and the Grant Manager must address the relevant concerns and begin the process again.

To ensure that the purchase has been authorized and will be paid for, do not purchase materials or services without first obtaining an APPROVED purchase order.

Once the requisition is fully approved, the requisition routes electronically to the Purchasing Department for processing and the creation of a purchase order. A copy of the Purchase Order will be sent to the Grant Manager, who will keep this copy on file as documentation of the purchase. When the item arrives, Accounts Payable will send the Grant Manager the receiving invoice, which must be signed and returned to Accounts Payable at the District Office for payment. The Grant Manager should keep a copy of the invoice as proof of purchase and receipt.

> ***Both the Grants Office and the Business and Financial Services Office offer support and training for Grant Managers new to Galaxy.***

Purchasing Thresholds

Nearly all purchases require that the Grant Manager identify a minimum of three quotes to be submitted with the Purchase Requisition. However, some purchases require additional quotes and/or a competitive process.

Both the state and federal governments have purchasing thresholds that require the grant awardee to conduct a competitive bid process for purchases above the annual threshold. The goal of this competitive process is to ensure fairness and equity in the purchasing process for high cost purchases. At this time, the state threshold is lower than the federal threshold. Per California Public Contract Code section 20651, community college districts must competitively bid any contract involving an expenditure that exceeds the state set threshold amount, which is adjusted annually, and generally exceeds $95,000.

However, even purchases below the state and federal threshold for competitive bids require more often than not require more than one quote. RCCD Administrative Procedures (AP 5340) require the grant manager obtain additional quotes in the following situations:

- $1,000 to $9,999 → obtain three (3) verbal quotes
- $10,000 to $95,199 → obtain three (3) written quotes

Exemptions to the Quote or Bid Process

There are exceptions to the competitive bid and quote process, some of which apply specifically to grants. However, these exemptions still require prior Board of Trustees approval in lieu of bidding process. Exemptions include:

- Piggyback Bids (RCCD may "piggyback" on the contracts of other public corporations or agencies to lease data-processing equipment or purchase materials, supplies, equipment, automotive vehicles, tractors and other personal property; services however are not included in this piggyback clause)
- State Cooperative Purchasing Program (CMAS) or Federal GSA or other multiple award contracts (subject to prior review and approval from Purchasing Agent)
- Emergencies to avoid danger to life or property
- Purchase or Lease from another Public Agency
- Insurance Services

The first three apply most often to grants (although services are addressed in the next section), as grants are often pursued specifically to purchase specialized equipment that may not be available from more than one source. If the grant includes to purchase of highly specialized materials, textbooks, or other materials, the Grant Manager should work with his Accounting Technician and the Purchasing Department to ensure that the appropriate process is followed.

Sole Source
There may be times when only one vendor exists to provide a specific service, as in the case of a named evaluator in the initial grant application. The purchase of services that are available from only one source require written documentation confirming such. This written documentation would take the place of the required formal quote/bid and will be obtained and approved by Purchasing. A "sole source" procurement contract is entered into without a competitive process. This type of procurement requires resolution or board agenda.

More information regarding the threshold limits, competitive bids, and formal or informal quotes is outlined in the AP5340, available here:

https://www.rccd.edu/bot/Board_Policies/Chapter%205%20-%20Business%20Financial%20Services/5340.pdf

Encumbered, Obligated, and Liquidated

Once a purchase has been initiated in the online requisition system, there are three distinct steps that follow.

1) Encumbered: A purchase is encumbered when a requisition is initiated in Galaxy. An encumbered expense may not be approved by all of the required parties. The funds required for the purchase are subtracted from the Adopted Budget column and displayed in the Encumbered Budget column, as a means of reminding the Grant Manager that the funds have been targeted for expenditure.
2) Obligated: A purchase becomes obligated when the vendor accepts the Purchase Order and agrees to complete the transaction.
3) Liquidated: A purchase is liquidated when the District has paid the invoice.

These distinctions are important because Uniform Guidance requires that all grant funds must be obligated by the last day of the grant award period. As such, if the Grant Manager initiates a requisition the day before the grant ends and only 3 of the 4 required approvers authorize the expense prior to the close of business the following day, the purchase must be halted because the Purchase Order that obligates the college or the District to pay has not been accepted by the vendor.

Therefore, it is important that Grant Managers spend down their funds in a timely manner as the grant progresses as outlined in the grant budget and workplan. If there are unexpended funds as the grant end date approaches, the Grant Manager must act quickly to ensure that the purchasing process is complete prior to the grant award date.

> **Purchases obligated after the grant award period cannot be paid for by the grant.**

Services

In addition to purchasing tangible goods and materials, such as office supplies, computer equipment, and workshop books, the grant project may need to purchase services. In general, there are two types of purchased services:

1) Vendor Services: Vendor services are services that the Grant Manager and grant staff will need to achieve grant goals and outcomes and implement grant activities. As an example, the grant may need to purchase catering services in support of a parent workshop or housing services from a local university for a summer bridge program. Likewise, the grant may need to rent a facility for a conference. Lastly, the grant may need to purchase evaluation services or additional IT support to implement new technologies. These are all services that grant staff will identify, purchase, and oversee the implementation and use of, even when carried out by a third party. As an example, while the grant staff may not be cooking the food, they are involved in food selection, setting the time of the meal, and how many meals should be made. Likewise, they are not managing the facility, but they identify specifically the room arrangements, the type of technology, and other logistical needs.

2) Sub-award Services: Sub-award services are different from vendor services in that they are essential program activities that are developed and implemented by the sub-awardee with little to no oversight by the Grant Manager. The Grant Manager is responsible for ensuring the work is completed and that every expenditure made by the sub-awardee is allowable, but the Grant Manager does not define the specific activities of the sub-awardee. Sub-award services include cooperative agreements between two or more institutions to work together to achieve grant goals and objectives.

It's not always easy to differentiate between a vendor service and a sub-award service, and there are situations when either route might be pursued. As an example, a transfer focused grant may want to send participating MVC students to a summer outreach event at CSU San Bernardino. The event includes workshops, networking, campus tours, and housing. While it may seem like this should be a sub-award agreement given that another institution of higher education is involved, the grant is buying a service – specifically transfer outreach and readiness activities – rather than compensating a partner who will share responsibility for achieving grant outcomes. When possible, the Grant Manager should always choose the vendor services route, as sub-awarded services require significantly more oversight.

> **Vendor Services are purchased through the Requisition/Purchase Order process, while Subaward Services require Subaward Agreements between the institutions.**

Vendor Services

To purchase services through a vendor, the Grant Manager will follow the requisition/purchase order process outlined previously for the purchase of goods and materials. Specifically, the Grant Manager will utilize Galaxy to complete and submit an online requisition. Once a requisition enters an approval queue, the system sends the requisition to the appropriate approvals in the sequence established on the requisition. For all grant expenditures, the approval queue must include the Grant Manager, the Institutional Administrator, and budget control. Additional approvers may be necessary depending on the nature of the vendor agreement.

To assure that the purchase has been authorized, do not order or confirm services from the vendor without first obtaining an APPROVED purchase order. It is essential that Purchasing Department receives the requisition with sufficient lead time to prepare and execute a purchase order before the service begins. While the Purchasing Department is usually very quick to convert requisitions to Purchase Orders once they are received, it may take longer than expected for the required approvals to occur, thus delaying the Purchasing Department's receipt of the requisition. If time is of the essence, the Grant Manager should contact each approval as the requisition progresses through the queue. The Grant Manager will also want to make sure that the necessary documents for vendor services, such as proof of insurance are in hand. The Purchasing Department will not process a Purchase Order after the fact.

Purchasing Thresholds

Both the state and federal governments have purchasing thresholds that require the grant awardee to conduct a competitive bid process for services that cost more than the annual threshold. The goal of this competitive process is to ensure fairness and equity in the purchasing process for high cost purchases. At this time, the state threshold is lower than the federal threshold. Per California Public Contract Code section 20651, community college districts must competitively bid any contract involving an expenditure that exceeds the state set threshold amount, which is adjusted annually, and generally exceeds $95,000.

However, even purchases below the state and federal threshold for competitive bids require more often than not require more than one quote. RCCD Administrative Procedures (AP 5340) require the grant manager obtain additional quotes in the following situations:

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Sole Source

There may be times when only one vendor exists to provide a specific service, as in the case of a named evaluator in the initial grant application. The purchase of services that are available from only one source require written documentation confirming such. This written documentation would take the place of the required formal quote/bid and will be obtained and approved by Purchasing. A "sole source" procurement contract is entered into without a competitive process. This type of procurement requires resolution or board agenda.

It is important for the Grant Manager to review the Code of Ethics and Conflict of Interest statements when identifying vendors for grant-funded activities. The Grant Manager must remember that they are responsible for spending money that is not their own, or even that of the college or District. When deciding which services are most appropriate for the project, the Grant Manager must disclose upfront any relationships they may have with vendors, including but not limited to, financial arrangements, familial ties, friendships, quid pro quo agreements, etc. Decisions must be made with the best interest of the grant's target population in mind (students, faculty, etc.), as well as the college and District.

> **More information regarding the threshold limits, competitive bids, and formal or informal quotes is outlined in the AP5340, available here:**
> **https://www.rccd.edu/bot/Board_Policies/Chapter%205%20-%20Business%20Financial%20Services/5340.pdf**

Purchase Order vs. Contract Transmittal Process

Services may be purchased via the Purchase Order or Contract Transmittal Process depending on the amount of the contract and the need for a written contract. If the proposed amount is less than the current bid threshold, the Grant Manager may utilize the Purchase Order process if the vendor does not require a written contract. If the vendor will accept a Purchase Order in lieu of a separate written contract/agreement, then a written contract/agreement is not necessary, as a Purchase Order is a contract/agreement that binds both parties to the terms and conditions of the purchase order.

If the vendor requires a written contract, the Grant Manager must follow the Contract Transmittal Process, as outlined:

1) The Grant Manager works with the vendor to establish a mutually agreeable contract for review, approval, and acceptance by both parties;
2) The Grant Manager sends a copy of the contract to RCCD's General Counsel at ContractsReview@rccd.edu for review, revision, and approval of the contract's legal terms and conditions and the associated risk to the District and/or college (note, General Counsel does not review or approve programmatic details specific to the project);
3) Once the General Counsel approves the legal terms and conditions of the contract and returns the contract to the Grant Manager, the Grant Manager will share any changes with the vendor and obtain the vendor's signature on the contract;
4) The Grant Manager will initiate a Purchase Requisition in Galaxy;
5) The Grant Manager will send a completed Contract Transmittal Form to the Vice President of Business Services for review and approval, attaching the signed Contract, the Vendor's Certificate of Insurance, and a copy of the Purchase Requisition;
6) The Vice President for Business Services will send the approved Contract Transmittal packet to the college President for review and signature;
7) The President's Office will forward the packet to the Office of Business and Financial Services at the District Office for funding verification and logging into the contracts database;

8) The Office of Business and Financial Services will forward the entire packet to the Purchasing Department;
9) The Purchasing Department will then return the signed contract to the vendor and services may begin.

The process is the same for Grant Managers that work at the District level, with the exception that the approval process begins with the Vice Chancellor who oversees the department and ends with the Vice Chancellor of Business and Financial Services. In addition, rather than sending a copy of the signed contract to the vendor, the Purchasing Department returns a signed original to the Grant Manager who sends it to the vendor.

Contracts above the bid threshold must be approved by the Board of Trustees prior to processing, while contracts for services below the bid threshold do not need to go to the Board for prior approval. However, these smaller contracts are presented to the Board by the Purchasing Department as part of the Purchase Order listing on the consent Board agenda.

Given the length of time it may take to complete the Contract Transmittal Process, the Grant Manager may want to ask the vendor if a Purchase Order is sufficient to procure the services. Vendors may need to be reminded that the Purchase Order can include an outline of terms and conditions as well as many other components of a standard written contract, and can be completed in a timelier manner than a written contract.

More information about the Contract Transmittal Process, as well as Contract Amendments and Addendums, is available here:
https://www.rccd.edu/admin/bfs/Documents/purchasing/procedures/Contract_Transmittal_Procedures.pdf

Independent Consultants/Professional Experts

As with the purchase of materials and supplies, there are exemptions to the Quote or Bid Process. Grant Managers may use grant funds to purchase professional services and technical assistance, including evaluation or research services, without going through a formal bid or quote process. Professional services are often provided be independent consultants or professional experts and are a common expense on grants.

An Independent Consultant is an independent individual or organization external to the institution that has a special field of expertise or skill. The consultant provides professional or expert opinion, advice or services regarding information or materials in their field of knowledge or training to assist others in making decisions or in performing tasks. The consultant has little or no responsibility for the overall project and is usually retained on a short-term basis. Consultants include workshop facilitators, evaluators, and technical advisors. An external evaluator is one of the most common independent consultants utilized by a grant.

It is critical that Riverside Community College District correctly classifies an individual providing service as an employee or independent consultant, in order to withhold/pay appropriate employment taxes and benefits. Failure to properly classify can result in an IRS audit and significant penalties.

What is the major difference between an Employee and an Independent Consultant?

- Employee - the District must withhold all applicable taxes and other deductions from the employee's wages (example: Social Security, Medicare, and CalPERS). The District is also responsible to pay other applicable employer taxes, such as Workers' Compensation Insurance.

- Independent Contractor - the individual is responsible to pay all applicable taxes (the District does not withhold).

To help lessen the confusion in classification between independent consultant and employee status, a questionnaire/checklist (per IRS guidelines) can be found on the Business Services website at https://www.rccd.edu/admin/bfs/Documents/purchasing/procedures/RCCD_EMPLOYEE_CONTRACTOR_CLASSIFICATION_CHECKLIST.pdf

The questionnaire should be used in determining the proper classification. If the questionnaire/checklist indicates the individual is likely to be an independent contractor, please enter a requisition, and submit the completed questionnaire/checklist to the Purchasing Department. If the questionnaire/checklist indicates the individual is likely to be considered an employee, the Grant Manager should contact the designated Human Resources Liaison to discuss employment options.

An Independent Consultant may be secured through a Purchase Order, if the Independent Consultant does not a signed written contract. For a Purchase Order, the Grant Manager shall work with the Independent Consultant to outline the parameters of the agreement and include

this information in the purchase requisition. The Grant Manager and the Independent Consultant must agree to the:

1) The intent of the contract, the proposed services to be provided, and an overview of proposed deliverables, being as descriptive as possible;
2) The time period for the contract, whether it is one day or covers a period of time from a set start date to a set end date;
3) The not to exceed amount; and
4) Payment provisions, which may include reimbursable expenses and a rate listing.

The Grant Manager may include any other information/comments necessary in the external and/or internal notes section to describe the agreement. The vendor will see external notes, while internal notes will not be available to the vendor, but may help document the expense in the grant file. If there are any documents that Purchasing or Business & Financial Services will need in order to process the Purchase Order, such as a proposal or order confirmation, the Grant Manager should note that in the internal notes on the purchase requisition and send those documents to Business Services. The Purchasing Department will send the Purchase Order to the vendor, either by mail, fax, or email, at which time the vendor must accept the Purchase Order to execute the agreement.

If the Independent Consultant requires a written contract, the Grant Manager must follow the Contract Transmittal Process. To retain the services of an Independent Consultant through the Contract Transmittal Process, the Grant Manager will:

1) Verify the proposed Consultant is in the Districts vendor database/system (Galaxy):
   a. If **Yes**: continue to step 2;
   b. if **No**: the Consultant will need to complete and return the forms required of a New Vendor. These forms must be sent to Purchasing so that the Consultant can be entered in Galaxy;
2) Complete the Professional Expert Services Agreement, which outlines the parameters of the requested services. In lieu of this agreement, the Consultant may provide his own agreement that outlines the agreed upon services;
3) Send the Professional Expert Services Agreement or facsimile for review and approval by the District's General Legal Counsel (email agreement to ContractsReview@rccd.edu);
4) Obtain the signature of the Consultant on the Professional Expert Services form once it has been approved;
5) Complete the Contract Transmittal Form;
6) Submit a requisition in Galaxy to pay Consultant for costs involving the services rendered, utilizing a "A" type Purchase Order to indicate a Contract Purchase Order, and attaching both the Contract Transmittal Form and the Professional Expert Services Agreement to the requisition;
7) Include the college Vice President for Business Services and the college President in the approval queue for college-level agreements and the appropriate Vice Chancellor for District-level agreements;

Once the agreement has been approved at the appropriate levels, the packet will be forwarded to Business and Financial Services at the District Office, which will review and approve. Approved

college-level requests will be forwarded on to the Purchasing Department, while approved District-level requests will be approved by the Vice Chancellor of Business and Financial Services prior to forwarding to Purchasing. Once Purchasing executes a fully signed agreement, they will mail/email the fully executed agreement and copy of the Purchase Order to the Consultant.

If the Grant Manager has any questions or concerns, the Grant Manager should work with the Purchasing Department at the beginning of the process to ensure that the process is completed in its totality and as efficiently as possible. If the total cost of any purchase agreement exceeds the current threshold for a non-competitive bid process, the Purchasing Department will lead efforts to establish a bid process, recruit potential vendors, and select the lowest qualifying bid. Generally, a contract must be open for bidding for three weeks.

Additional information regarding the procurement of professional services may be found in Board AP6120F, available here:
https://www.rccd.edu/bot/Board_Policies/Chapter%206%20-%20Human%20Resources/6120F.pdf

However, depending on the grant funding source, other regulations may apply, and as such the Grant Manager should carefully read the grant award agreement.

Subaward Agreements

Some grants are collaborative grants or cooperative arrangements with one or more organizations external to the college. These partners may include other educational entities, such as a community college, a university, or a local high school, workforce partners, such as the Riverside County Workforce Development Center, or a community-based organization, such as Growing Inland Achievement. In collaborative grants, RCCD or its colleges has agreed to partner with the other institution to fulfill a specific set of grant goals and outcomes and has set aside a portion of the grant budget for the partner(s) to carry out activities to achieve those goals and outcomes. The presence of a subaward arrangement is almost always identified in the grant budget. RCCD or a college may be either the lead entity that distributes subawards or the recipient of a subaward.

The subaward relationship implies that the subawardee is an integral part of the project and accepts responsibility for a portion of the project effort, as well as project outcomes. As an example, RCC may submit a grant request to the U.S. Department of Education in partnership with University of California, Riverside (UCR) to increase the number of underrepresented students who pursue a baccalaureate degree in STEM. As part of this project, UCR will develop a Transfer Academy to support incoming community college students. In addition to student support services, this academy will include new coursework to support the transfer process. These activities are integral to assuring that community college students transfer and continue to pursue STEM. As a subawardee, UCR will receive funding from the grant to implement the Transfer Academy, while RCC will utilize its funds to support services to students before they transfer. Likewise, UCR may receive a grant award to support student completion of a baccalaureate degree, targeting community college students. While they will work to strengthen their Transfer Academy, they may subaward funds to RCC to identify and recruit students into the target pathway.

Both situations require a subaward agreement. A Subaward Agreement requires a formal legal contract that clearly outlines the roles, responsibilities and expectations of both the institution and the partner.

RCCD as Lead Entity
When RCCD or a college is the Lead Entity, the Grant Manager will work with the Grants Office, the Institutional Administrator, and General Counsel to establish a subaward agreement that outlines the scope of work, billing details, reporting processes, and compliance requirements. Depending on the timeline for hiring the Grant Manager, this Subaward Agreement may be complete prior to the Grant Manager's start date. Subaward Agreement templates are available in the Grants Office.

This Subaward Agreement must be signed by the authorized organizational representative of both the partner entity and the RCCD entity that received the initial award. If a college received the grant award, then the college President should sign the Subaward Agreement. If a District office received the grant award, then the Chancellor or Vice Chancellor for Business and Financial Services should sign the Subaward Agreement.

Once a Subaward Agreement is in place, the Grant Manager is responsible for monitoring the progress of the subawardee, reviewing and approving submitted invoices, and working with Grants

Office and Business Services to ensure that the subawardee is audit compliant. More information regarding this process is available through the Grants Office.

RCCD as a Subawardee
When RCCD or a college is the subawardee, the Lead Entity will prepare a subaward agreement for review and approval by RCCD. The Grant Manager will work with the Grants Office and the Lead Entity to establish this agreement and then send it to General Counsel for approval. Once approved by General Counsel, the Grants Office will obtain the signature of the Authorized Organizational Representative (either the college President on college grants or the Chancellor on District grants).

Once a subaward agreement is in place, the Grant Manager will work with the assigned Accounting Technician to invoice the Lead Entity as outlined in the subaward agreement. The Grant Manager is responsibility for providing all necessary documentation to support costs charged to the agreement. The Grant Manager is also responsible for providing the Lead Entity with any additional information to document audit compliance.

Participant Support Costs

Some grants set aside funds specifically for the use and benefit of students and others engaged with the District or college in support of grant accounts. Known as participant support costs, these costs are defined as "direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with meetings, conferences, symposia, or training projects."

Participants are not District or college employees, but may include students, national scholars and scientists, private sector representatives, agency personnel, teachers and others who attend and participate in formal meetings, conferences, symposia, or other training activities. Participants are not required to produce any deliverable or service to the District or college in return for participant support costs. The grant application and subsequent grant award notification documents will include a detailed justification describing the purpose of the costs and the way in which the costs will directly benefit the project's scope of work.

Funds provided for participant support may not be used by grantees for other categories of expense without specific written approval from the Program office. As such, participant support costs must be tracked separately and expended for their intended objectives. When an award provides funding for participant support, District Business and Financial Services will separate activity codes in the financial system, if necessary. Activity codes more easily identify and isolate participant costs and restrict budget changes. The Grant Manager will be responsible for reviewing project budget reports, transactions and source documents to ensure participant support funds are expended according to federal regulations and award terms of agreement.

DOCUMENTING GRANT EXPENDITURES

In addition to monitoring the grant budget, the Grant Manager should maintain documentation for each grant expenditure, including:

1) Time and effort reports for all staff who work on the project, including salaried employees, hourly assistance, student workers, and in-kind volunteer support;
2) Requisitions, purchase orders, and invoices as they are received;
3) Travel requests that clearly outline the relevance of the travel to grant activities and outcomes and requests for travel reimbursement;
4) Subcontract/subaward agreements, as well as consultant contracts;
5) Grant reports, including both programmatic reports and fiscal reports (and the back-up documentation to support those reports); and
6) Correspondence that further documents the need for and purpose of the item purchased.

For the most part documenting grant expenditures is fairly straightforward. The Grant Manager will initiate and approve the process for expending grant funds, including requisitions for supplies, equipment, and contractual services, as well as travel request authorizations. Once initiated, the Grant Manager will retain and file a copy of the purchase documents in the grant files. In addition, they will transfer these projected costs to the project's internal financial monitoring for reconciliation with actual costs when the items are purchased and received.

However, documenting the time and effort of grant funded personnel is more time consuming and complicated.

Time and Effort Reporting

Of all the documentation necessary to justify expenses to a grant award agreement, the most challenging for Grant Managers to regularly maintain and collect is accurate Time and Effort Reports from all members of the Grant Team supported with grant funds. Simply stated, time and effort reports document the amount of time that each person spends working on a particular project. These reports are then compared with the amount of time billed to the funding source to identify and correct discrepancies between time worked and time charged.

As a recipient of state and federal funds, RCCD and its colleges must comply with the Time and Effort Reporting Requirements as outlined in Part 200: Uniform Administrative Requirements, Cost Principles, and Audits for Federal Awards. Part 200:430 (I)(1) and (I)(4) indicate that charges to Federal awards for salaries and wages must be based on records <u>that accurately reflect the work performed</u> and adequately demonstrate that the employee worked on that specific federal program cost objective. Per federal policy, these records must be maintained for all employees whose salaries are:

- Paid in whole or in part with federal funds
- Used to meet a match/cost share requirement

However, it is the policy of Riverside Community College District that all grants – local, state, and federal – collect and maintain Time and Effort Reports for all personnel paid in whole or in part with grant funds, as well as personnel who are listed in the grant proposal as part of a required match or leveraged resource. Individuals who are working on a grant at no cost to the grant, but who are not a required commitment of the college/District and included formally in the award agreement do not need to complete Time and Effort reports. **If the Grant Manager is unclear who is or is not a required resource as outlined in the grant award agreement, they should consult with the Grants Office.**

These Time and Effort records will adhere to federal reporting requirements as outlined in Part 200: Uniform Administrative Requirements, Cost Principles, and Audits for Federal Awards.

Specifically, these records MUST:
1. Be supported by a system of internal controls which provides reasonable assurance charges are accurate, allowable and properly allocated;
2. Be incorporated into official records;
3. Reasonably reflect total activity for which employee is compensated, while not exceeding 100% of the employee's time.
4. Encompass all activities (federal and non-federal);
5. Comply with established accounting policies and practices; and
6. Support distribution among specific activities or cost objectives.

Budget estimates alone do not qualify as support for charges to grant awards, but may be used for interim accounting purposes if they:
- Produce reasonable approximations
- Identify significant changes to the corresponding work activity in a timely manner
- Include internal controls in place to review after-the-fact interim charges based on budget estimates

For records which meet the federal standards, the institution is not required to provide additional support or documentation for the work performed. These records include hourly payroll records for either staff or students, as long as they are signed by the employee and certified by the supervisor and/or the Grant Manager. However, for faculty and administrators who work part-time on a grant project, additional time and effort reporting is required as outlined in the following policy statement.

Time and Effort Reporting Overview

➢ Time and effort reporting shall reasonably reflect the percentage distribution of effort expended by employees involved in externally funded grants, contracts, and cooperative agreements, and shall be incorporated into the records of the institution. These reports shall reasonably reflect the activity for which the employee is compensated and shall encompass all activities on an integrated basis.

➢ Each employee whose time is committed to an externally sponsored project shall complete a time and effort report. This report is required regardless of whether such time is paid by a federally sponsored agreement, a private foundation, or is an unpaid contribution, i.e. cost share match. Committed cost sharing, either voluntary or mandatory, must be included in time and effort reports.

➢ RCCD and its colleges use an "after-the-fact effort" reporting system. This indicates that the distribution of salaries and wages will be supported by activity reports signed by the Grant Manager and/or Institutional Administrator. While the Grant Manager can review and approve all employees committed to the project, the Institutional Administrator must review and approve the work of the Grant Manager.

➢ The Grant Manager is responsible for the distribution, collection, and retention of all employee time and effort reports. Individually reported data will be made available only to authorized auditors.

➢ The Time and Effort report must represent, in percentages totaling 100%, a reasonable estimate of an employee's effort for the reporting period. Compensated effort includes all research, teaching, administration, service, and any other activity for which an individual received compensation. *Note: It is recognized that research, instruction, and service are often inextricably intertwined and estimates will be necessary in most cases.*

➢ Effort and payroll distributions are NOT the same. The time and effort reporting process is a method for confirming salary charges made to all sponsored awards. For all salaried employees, payroll distributions are estimates of how effort is anticipated to be expended.

➢ The federal government can impose severe penalties and funding disallowances as a result of missing, inaccurate, incomplete, or untimely time and effort reports. RCCD expects that Grant Managers will complete time and effort reports fully and in a timely manner. Further, at the discretion of the administration, payment for effort expended on the grant may be withheld if time and effort reports are not complete. The institution also reserves the right to charge cost disallowances on sponsored projects resulting from the Grant Manager's failure to submit appropriate time and effort reports to the departmental operating account.

Time and Effort Reporting Procedures / Checklist for Grant Manager

☐ When the District or a college receives an award from an external sponsor, the assigned Institutional Administrator will identify and hire the necessary staff and prepare a projected distribution of effort for the fiscal year. This will be based on the budget proposed to the sponsor and will be provided to the assigned Accounting Technician in the required format and in a timely manner to properly budget permanent positions. This will prevent or reduce the need for payroll transfers after the grant begins.

☐ The Grant Manager will work with the assigned Accounting Technician and the Grants Office to determine the projected distribution of effort through the life of the grant, the frequency of reporting required, and the time and effort report forms to be utilized. All individuals working on externally funded activities will submit time and effort reports at least once per semester, with most employees submitting reports on a monthly basis.

☐ The Grant Manager will be responsible for distributing and collecting Time and Effort Reports for all externally funded personnel.

☐ Each employee receiving a Time and Effort Report shall provide the actual percentage worked for the reporting period. S/he will sign the time and effort report to verify that the time and effort reported is accurate.

☐ Time and Effort Reporting Forms must be reviewed and confirmed by a person having firsthand knowledge of the employee's activities. In many situations, this will be the Grant Manager. However, for some projects, the person supervising the grant-funded work will not be Grant Manager. In these situations, the employee's supervisor will confirm that the employee worked the reported hours. The Time and Effort Report will then be sent to the Grant Manager who will review the report and confirm the work. Confirmation is indicated by a signature on the form.

☐ The Grant Manager must review and verify all Time and Effort Reports associated with his/her sponsored project(s) using suitable means of verification that the reported work was performed. If the Grant Manager is the employee completing the Time and Effort Report, the report must also be reviewed and signed by the Institutional Administrator.

☐ If the Grant Manager identifies a discrepancy between effort and pay, the Grant Manager will inform the assigned Accounting Technician and make a formal request for salary reallocation or adjustment, submitting a copy of the time and effort report as documentation to support the request.

☐ Grant Managers will send appropriately completed and signed Time and Effort Reports to the assigned Accounting Technician by the 15th day of the following month.

☐ The assigned Accounting Technician will review the time and effort report and confirm appropriate verification.

☐ If the Grant Manager identifies a discrepancy between effort and pay, the Grant Manager will inform the assigned Accounting Technician and make a formal request for salary reallocation or adjustment, submitting a copy of the time and effort report as documentation to support the request.

Time and Effort Reporting Forms – Checklist for Grant Staff

The following outlines the forms to be used for Time and Effort Reporting:

1. Most employees conducting work on an externally funded project will utilize the college's Time and Effort Report available from the Grants Office.

2. Employees who work on only one project, supported by one account code, will indicate only that code. The percentage of time to that project will be 100%. There will be little to no differentiation in reports each month.

3. However, if an employee works on multiple activities or account codes within the externally funded project or on other institutional activities or account codes external to the project, a distribution of the employee's salary and wages to account code must be supported. Instances of multiple activities or account codes for which Time and Effort Reporting is required include:

   If an employee works on –

   - More than one Federal award.
   - A Federal award and a non-Federal award.
   - An indirect cost activity and a direct cost activity.
   - A grant-funded project and receives release time from all or part of his/her instructional contract to complete the project;
   - Two or more indirect activities that are allocated using different allocation bases.
   - An unallowable activity and a direct or indirect cost activity.

   The Time and Effort Report must –

   - Reflect an after-the-fact percentage of time allocated to each project.
   - Account for the total activity for which each employee is compensated.
   - Identify all account codes that support the employee's time.
   - Be prepared at least monthly and coincide with one or more pay periods.
   - Be signed by the employee.

4. If the employee works on more than one externally funded project, the employee will submit a copy of the Time and Effort Report to the Grant Manager for each project with hard signatures on each copy.

Time and Effort Reporting Exceptions

1. Any staff member who completes a time sheet in order to generate pay, including hourly clerical staff and student workers, does not need to complete the Time and Effort Report Form if the timesheet used is signed by the employee and the employee's supervisor. However, these employees should make a copy of each signed time sheet and submit that to the Grant Manager for time and effort report documentation.

2. Faculty, both full-time and adjunct faculty, who receive a lump sum Special Project Request do not need to complete the Time and Effort Report Form. However, the Grant Manager will outline the purpose of the Special Project, the expected deliverables, the amount of the stipend, and how the project will reimburse the faculty member. The faculty will need to complete the expected deliverables to receive payment. It should be noted that faculty receiving an hourly based Special Project Request must track the hours worked on the project and submit these hours on a time card to the Grant Manager prior to receiving payment.

Special Considerations

- If the staff person is a faculty member receiving release time to work on a grant-funded project, they must still document that they are working the number of hours for which they are released. The simplest method of doing this is to complete the timesheet included on the Grants website. PLEASE NOTE: If a faculty person is released from one third of their teaching assignment, the amount of time charged to the grant is the amount of time they are supposed to spend both in and out of the classroom to support that assignment. Generally, the release is two hours for every one hour in class.

- Many grant-funded employees are supported by more than one account code, e.g. Jane works half-time for Grant A and half-time for Grant B. The staff person must report the percentage of time spent on both grants. The staff person does not need to work the same number of hours on each project every day, but over a month's time, the percentage should average out to the percentage charged to the grant.

- If a staff person is funded by multiple account codes, she will need to know the account codes that support her time and the percent of time allocated to each account code. The Grant Manager needs to be sure that each grant-funded employee and their supervisor (if not the Grant Manager) are aware of the allocation, the account code, and the responsibilities of this position. It is the Grant Manager's responsibility that this information is correct. All employees working on a grant should have a job description that clearly outlines the role and responsibilities specific to the grant project. A contract or an Extracontractual Stipend Request Form can be used in lieu of an official job description.

- Often, grant-funded staff are employed by the grant and by another state-funded budget, such as faculty who receive release time or counselors who divide their time between a specific project and the general counseling duties. Although a staff person may be funded by an account code that does not require time and effort reporting, the institution must be

able to account for all of the individual's time. The reason for this is that many grant budgets are written with a percentage of each staff person's time allocated to the grant, such as 40 percent or 50 percent of full-time. The college must be able to demonstrate to the funding source that it is billing only for the percent of time stated in the grant application.

- In addition, the college cannot use federal funds to support more than 100 percent of a person's time, unless it is for an approved extracontractual agreement, such as a special project request to develop a course or project. For example, an employee cannot be a full-time instructor and a part-time Grant Manager funded with federal funds.

REMEMBER: The most important aspect of time and effort reporting is to demonstrate that the institution is billing the funding source for the actual number of hours worked. If grant staff determine that they are working more, or less, than the allocation approved by the funding source, the staff person and/or the Grant Manager need to talk to the Institutional Administrator or the Grants Office as soon as possible. The sooner the college identifies a potential audit problem, the sooner it can remedy the problem and prevent the potential for reimbursing funds to the funding source.

ENSURING AUDIT READINESS

Audit readiness occurs at several levels at Riverside Community College District.

The District's Annual Single Audit

First and foremost, as a recipient of federal funding, RCCD must conduct an annual independent internal audit each year. As part of this process, the District contracts with a third-party auditor that reviews its financial statements on an annual basis and determines if the District is in compliance with generally acceptable accounting procedures, as well as federal, state, and local requirements. This audit includes a review of the District's grant funded programs, particularly the federal grants.

These annual audits are always conducted within a tight timeframe, and Grant Managers are expected to be available to answer questions and provide documentation if necessary. RCCD's Office of Business and Financial Services alerts Grant Managers of the dates of the annual audit so that personnel can plan accordingly. The Grant Manager should be prepared to answer questions about the grant project for both the current year as well as any charges that may have carried over from previous years. Written documentation will not only refresh the Grant Manager's memory but will help answer the auditor's questions.

The annual independent auditor will not review all grants each year; instead, the auditor will select one or more for review. Grants that are often reviewed annually include large, multi-year federal awards; however, smaller grants may also be reviewed. The audit includes both a financial review and a program review. The program review will examine the degree to which the project has completed its stated objectives, particularly the number served. If the project is not meeting its program outputs and outcomes, but is expending the funding, then the District or its colleges may be at risk of returning funds to the funding source. On the financial side, the audit may uncover disallowed costs or other internal control lapses that will require institutional redress.

Funding Source Audits

In addition to the single audit, grant-funded programs are also often reviewed and evaluated by the funding source as well. The most stringent of these reviews is a formal audit conducted by the funding source often triggered by concerns that the project is not progressing as planned. More common, however, are site visits or desk audits by the Program Officer, conducted either in person or through webinar, in which the Program Officer reviews the project status, institutional controls for managing the funds, and other compliance requirements. These site visits or desk audits usually include a review of programmatic activity and outcomes, as well as fiscal monitoring and reporting.

Because the funding source may initiate a desk audit at any time, the Grant Manager is responsible for ensuring that his/her grant is audit ready at all times. On the programmatic side, the Grant Manager can accomplish this by ensuring that the grant files contain documentation demonstrating that the grant has achieved each objective. If the scope of the project has changed since the initial negotiation, the Grant Manager should ensure that written documentation approving the change(s)

in the file. The Grant Manager should use the grant work plans, which generally outline key outcomes and the strategies by which the project will achieve its outcomes, as an easy way to organize documentation. Auditors will usually study these work plans prior to their campus visit, and thus it is essential that the grant team is adhering to these plans.

If an objective is not completed on time, the Grant Manager should be able to explain the lack of activity and progress and include this information in the annual grant report. There are several legitimate reasons why objectives are not completed on time, including:

☐ Delay in hiring key staff to carry out the objective;

☐ Loss of key staff on the project team;

☐ Changes in the needs of the targeted population;

☐ Changes in technology that lead to a delay;

☐ External commitments that did not materialize as planned; or

☐ Changes in baseline evaluation tools.

Preparing for a financial audit can be more difficult because in addition to the grant application, the Grant Manager must assure that grant expenditures and required documentation meet the terms and conditions of the funding source as outlined in the grant award agreement and grant compliance documents.

Grant Compliance Documents – Federal Grants
In years past, the federal Office of Management and Budget maintained multiple circulars that outlined how the institution should spend federal funds. If the Grant Manager has managed grants before, he may remember these circulars, including:

- OMB Circular A-21 - Cost Principles for Educational Institutions
- OMB Circular A-110 - Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations
- OMB Circular A-133 - Audits of States, Local Governments, and Non-Profit Organizations (06/24/1997, includes revisions published in *Federal Register* 06/27/03) HTML or PDF (127k)

However, in 2014, the federal government developed one super circular that encompasses all of these previous documents and reduced some of the duplication and confusion between departments and systems. This super circular known as Title 2, Part 200, Uniform Administrative Requirements, Cost Principles, and Audits for Federal Awards, also known as Uniform Guidance, provides guidance to Grant Managers and their institutions as they implement their federal grant awards. Each of the federal agencies has incorporated Part 200 into their existing policy and procedures manuals, including:

- EDGAR for the U.S. Department of Education
- Proposal and Award Policies and Procedures Guide for the National Science Foundation

The Grant Manager should identify the grant award handbook for the federal agency overseeing the grant for which he/she is managing and use this guidebook to help direct costs. It is important that Grant Managers are familiar with these documents and adhere to the principles and requirements outlined in each. In doing so, Grant Managers will help ensure audit readiness.

These are lengthy documents. However, the following includes important highlights from Part 200 that have been adapted by each federal agency:

- Part 200.415: Required Certification - An official authorized to legally bind the non-federal entity must certify annual and final fiscal reports or vouchers requesting payment:

  "By signing this report, I certify to the best of my knowledge and belief that the report is true, complete and accurate and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the federal award. I am aware that any false, fictitious, or fraudulent information or the omission of any material fact, may subject me to criminal civil or administrative penalties for fraud, false statements, false claims, or otherwise."

  This is an important reminder to Grant Managers that they cannot sign off on their annual reports. These reports must be approved via signature by an Authorized Organizational Representative, such as the Chancellor or the President, or designee.

For federal grants awarded to the colleges, the Authorized Organizational Representative is the college President. If the grant is awarded to the District, the Chancellor or his designee, often the Vice Chancellor for Business and Financial Services, is the Authorized Organizational Representative.

More information regarding Part 200: Uniform Administrative Requirements, Cost Principles, and Audits for Federal Awards may be obtained from the Grants Office.

Non-Federal Grants

The federal Uniform Guidance document is relevant to many state-funded grants as well, as many are funded with federal funds and/or adhere to federal guidance. In addition, the Uniform Guidance outlines grant management best practices that are applicable to all grant awards, public or private, local, state, or federal. Non-federal grants may also have specific compliance requirements as outlined in Conditions of Award documents. These are usually included in the Grant Award Agreement or the Request for Proposals. The Grant manager must be familiar with these documents and use them as a resource when making fiscal decisions.

It should be noted that state funded grants from the California Community Colleges Chancellor's Office often have grant compliance requirements that differ from federal policy, particularly around out-of-state travel, acknowledging grant awards, and the use of funds to purchase equipment. The Grant Manager should read and understand these documents and seek out assistance in areas that may cause confusion or concern.

COST ALLOWABILITY

The primary reason grant applicants are required to return funds to a grantor is that they spend grant funds on unallowable costs. While all grant programs identify allowable and unallowable costs, the federal government offers the most expansive directives regarding cost allowability. While these directives do not explicitly apply to local and state grant awards, they provide a foundation of best practices that Grant Managers of all grant awards should consider when determining the allowability of grant costs

Federal Uniform Guidance

Riverside Community College District and its colleges will follow the Uniform Guidance as outlined by the Office of Management and Budget in 2 CFR, Part 200 in charging project costs to federally-funded grants and contracts. As defined in the Uniform Guidance, "allowable costs" refer to items of cost that in general can be funded with federal grant dollars as long as the costs supports the goals, activities, and outcomes of the grant award and falls within a framework of responsible stewardship of public funds. The Uniform Guidance assists grantees in identifying what are allowable and unallowable costs on federal grant awards and contracts and establishes standards that institutions may apply to determine cost allowability.

Factors Affecting Allowability of Costs (2 CFR 200.403-404)
- o Conform with federal law and grant terms
- o Necessary, Reasonable and Allocable
- o Be consistent with policies and procedures that apply uniformly to both federally- financed and other activities of the non-Federal entity
- o Determined in accordance with Generally Accepted Accounting Principles
- o Not included as match
- o Adequately documented

Allowable

A cost must be identified as allowable under a federal program as defined in Uniform Guidance, the Request for Proposals, and Grant Award Agreement. Often these documents identify unallowable costs and say very little about what are actual allowable costs. As such, the Grant Manager must have working knowledge of what is outlined in these documents, as well as the Uniform Guidance. The Uniform Guidance identifies 55 items of cost that are often not allowed on a federal grant. Some of these costs are expressly unallowable, while others are generally unallowable except in certain circumstances. The following table provides an overview of costs that are often unallowable on a federal grant:

Cost	Allowability
Advertising and Public Relations Costs	The only allowable advertising costs that may be charged by academic and research units are those which are solely for: (1) the recruitment of personnel required for the performance of obligations arising under the sponsored agreement; (2) the procurement of goods and services for the performance of the sponsored agreement; (3) the disposal of scrap or surplus materials acquired in the performance of the sponsored agreement; or (4) other specific purposes necessary to meet the requirements of the sponsored agreement. The only allowable public relations costs are those (1) specifically required by a sponsored agreement, (2) costs of communicating with the public and press pertaining to specific activities or accomplishments under sponsored agreements (these costs are considered necessary as part of the outreach effort for the sponsored agreement), and (3) costs of general liaison with news media and government public relations officers.
Alcoholic Beverages	Costs of alcoholic beverages are unallowable.
Alumni/ae Activities	Costs incurred for, or in support of, alumni/ae activities and similar services are unallowable. Please note, alumni can be a key component of the grant project, as they can serve as mentors to students, offer on the job training opportunities for students, and serve as guest speakers. In this capacity, they can be reimbursed for their services, and likewise, funds can be spent to support these activities. However, grant funds cannot be spent in support of activities that recognize, support, or award alumni/ae.
Bad Debt	Bad debt, including losses (whether actual or estimated) arising from uncollectible accounts and other claims, related collections costs, and related legal costs are unallowable.
Commencement and Convocation	Costs incurred for institutional commencements and convocations are unallowable. However, grant funds can be used to recognize students as they graduate from a grant funded program or activity.
Institution-Furnished Automobiles	That portion of the cost of institution-furnished automobiles that relates to personal use by employees (including transportation to and from work) is unallowable.

Contingency Provisions	Contributions to a reserve or any similar provision made for events, the occurrence of which cannot be foretold with certainty as to time, intensity, or with an assurance of happening are unallowable.
Donations and Contributions	The value of services and property donated to the college is not allowable for reimbursement either as a direct or F&A cost, but may be used to meet cost sharing requirements. Donations or contributions made by the college, regardless of the recipient, are unallowable.
Entertainment Costs	Costs of entertainment, including amusement, diversion, social activities and any costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities) are unallowable. It should be noted though that some grants allow the use of grant funds for educationally enriching activities and networking activities that support the overall health, wellness, and success of targeted students. In these cases, grant funds may be used to purchase tickets for events that might otherwise be considered entertainment, but that in the context of the grant are used to achieve a different purpose. Grant funds used in this manner should be well-documented.
Fines and Penalties	Costs resulting from violations of, or failure to comply with, Federal, State, and local or foreign laws and regulations are unallowable.
Fund Raising	Costs of organized fund raising, including financial campaigns, endowment drives, solicitation of gifts and bequests, and similar expenses incurred solely to raise capital or obtain contributions, are unallowable.
Goods or Services for Personal Use	Costs of goods or services for personal use of the institution's employees are unallowable regardless of whether the cost is reported as taxable income to the employee.
Interest	Interest costs are generally unallowable, except for certain interest expenses paid to an external party to acquire equipment costing $10,000 or more or to construct/acquire/renovate buildings, where such assets are used in support of sponsored agreements.
Lobbying	Costs associated with lobbying activities are generally unallowable. Costs incurred in attempting to improperly influence either directly or indirectly, an employee or officer of the Executive Branch of the Federal Government to give consideration or to act regarding a sponsored agreement or a regulatory matter are unallowable.
Losses on Other Sponsored Agreements or Contracts	Any excess of costs over income under any other sponsored agreement or contract of any nature is unallowable. This includes, but is not limited to, the institution's contributed portion by reason of cost-sharing agreements or under any recoveries through negotiation of flat amounts for F&A costs.
Memberships, Subscription, and Professional Activity Costs	Costs of membership in any civic or community organization, country club or social or dining club or organization are unallowable. Other membership costs may be allowable if they are relevant to the development and implementation of the grant award agreement.
Match or Cost Share	Costs that count toward a matching or cost-sharing obligation for another federally financed grant or contract cannot be supported with federal funds. (2 CFR 200.403f)

Pre-Award/Pre-Agreement Costs	Costs incurred prior to the effective date of the sponsored agreement, whether or not they would have been allowable if incurred after such date, are unallowable unless approved by the sponsoring agency.
Selling and Marketing	Costs of selling and marketing any products or services of the institution are unallowable. However, costs associated with marketing the program supported by grant funds is allowable as long as they are specific to the program and not institutional in nature.
Student Activity Costs	Costs incurred for intramural activities, student publications, student clubs, and other student activities are unallowable. Grant projects may include the development and support of student activities specific to the grant award, such as the development of an engineering club for a STEM grant. Funds used to support this club should advance the goals of the grant and be well documented.
Taxes	Taxes from which exemptions are available to the institution directly or which are available to the institution based on an exemption afforded the Federal Government, and in the latter case when the sponsoring agency makes available the necessary exemption certificates are unallowable.
Travel Costs	Airfare costs in excess of the lowest available commercial discount airfare, Federal Government contract airfare (where authorized and available), or customary standard (coach or equivalent) airfare, are unallowable except when such accommodations would: require circuitous routing; require travel during unreasonable hours; excessively prolong travel; greatly increase the duration of the flight; result in increased costs that would offset transportation savings; or offer accommodations not reasonably adequate for the medical needs of the traveler

This list is not all-inclusive, but serves as a starting point for Grant Managers on costs that are most often unallowable. If the Grant Manager has questions or concerns about a particular cost, he should consult with the Grants Office.

Necessary (2 CFR 200.404)
A cost is necessary, if it meets one or more project objectives and helps ensure grant success. Necessary is of course subjective, so the Grant Manager must critically assess the need for the expense in relation to grant goals, objectives, and outcomes, as well as other costs that may be necessary to achieve grant outcomes.

As an example, a grant may have unexpended funds in the amount of $4,000 due to cost savings on another item. The Grant Manager may want to attend a conference on emerging educational technologies that may in fact support student success as they develop in the future. The conference will cost $2,500 in registration fees plus $1,500 for the cost of travel. However, there is also an immediate need for additional instructional supplies to support the upcoming student success workshops. The Grant Manager should consider the benefit of each expense on grant objectives and decide accordingly.

Reasonable (2 CFR 200.403a)
In determining if a cost is reasonable, the Grant Manager should apply the Reasonable Cost Test. A cost may be considered reasonable if the nature and amount of the cost reflect actions that a prudent person would have taken under similar circumstances prevailing at the time.

Prudent can be defined as:
- Acting with or showing care and thought for the future; and
- Wise, sensible, sage, well-advised, cautious, economical, vigilant, far-sighted, discerning, or tactical

Prudent is not:
- A person who spends as little money as possible despite an existing need;
- Likewise, a person who spends without thought or intention because the money is available; and
- Careless, foolish, hasty, inattentive, lacking in caution, indiscreet, rash, reckless, thoughtless, wasteful or unwise.

Allocable (2 CFR 200.405a)
In addition to allowable, costs must be allocable to a federal grant award. Simply, costs charged to a grant must advance the efforts of the grant award and support project goals, activities, and outcomes. When determining if a cost is allocable, the Grant Manager should ask,

To what extent, does the proposed cost benefit the program?

Things to consider:
1) When the institution charges 100 percent of an expenditure to a grant award, the Grant Manager must ensure that the grant-funded program is receiving the entire benefit of that cost.
2) A cost may not be charged to a grant award to overcome deficiencies, avoid restrictions imposed by Federal statutes, regulations, or terms and conditions of the grant award.
3) Grant funds support specific activities necessary to achieve project success; they should not support costs that support the institution in general.

Consistency (2 CFR 200.403c)
Costs charged to a federal grant agreement must be consistent with generally accepted accounting principles, as well as institutional policies, procedures, and practices for the expenditure of other funds. W***ith this in mind, the District and its colleges utilized generally accepted accounting principles (GAAP) to develop sound financial management practices*** that are outlined in written policies, procedures, and processes and applied uniformly to both federal awards and other institutional activities (2 CFR 200.403e). Simply, it is the District's policy to treat all costs of a similar nature and purpose the same, thereby ensuring that costs are consistently applied across the District, regardless of funding source.

For example:

- If the per diem rate for employees whose salary and travel are paid from state/local funds is one amount, then there cannot be a separate, higher amount for employees traveling on federal funds.
- If the institution's policy does not reimburse employees for professional association memberships, an exception cannot be made to reimburse the same costs for employees working on federal grants, using federal funds.
- If state-funded employees are receiving a Cost of Living salary increase, employees of the same classification paid with federal funds must also receive a Cost of living salary increase.
- Costs that are identified as indirect costs on one grant award cannot be charged as direct costs on another grant award; this includes indirect costs included in the District's federally negotiated indirect rate.

Adequate Documentation (2 CFR 200.403g)
Lastly, all costs charged to a grant must be adequately documented through the use of Time and Effort Reports, Purchase Orders, Travel Authorizations, and Subaward Agreements. The Grant Manager is responsible for ensuring that this documentation exists, utilizing standard documentation forms provided by the Grants and Business offices, as well as additional documentation developed by the Grant Manager. In this regard, the Grant Manager:

1) May consider utilizing the Internal/External Notes on District requisition forms or developing supplemental forms that can be attached to a purchase requisition or a travel request to explicitly state the relevance of the proposed cost to grant goals, objectives, and outcomes;
2) Is responsible for the development and maintenance of a grant filing system that houses this documentation;
3) Will reconcile proposed grant expenses with actual grant expenses on a monthly basis to ensure that only allowable costs are charged to the grant.

In the event that the Grant Manager identifies an unallowable cost charged to the grant award, the Grant Manager will work with the assigned Accounting Technician to transfer the cost off the grant award as soon as possible and charge the cost to correct non-federal expense or organization. If the transfer can be made during the project's fiscal year, there is no need to inform the Program Officer. If the Grant Manager has any questions or concerns, they should consult with the Grants Office.

Matching/Cost Sharing

A second area of audit concern is match/cost sharing. Some grant programs require that the applicant contribute to the total cost of the project. Cost sharing or matching (the terms may be used interchangeably) represents the use of institutional and community funds to supplement project costs not supported by the grant award, but essential for the achievement of grant goals and outcomes. Match is defined as non-grant resources, including cash and in-kind, contributed by the institution, as well as other entities, external to the institution, in support of the grant.

The policy of Riverside Community College District, including each of its colleges, is to make a cost sharing commitment only when required by the funding source or when cost sharing increases the competitiveness of a grant proposal. In these circumstances, however, it is the District's intent to cost share only to the extent necessary to meet the specific requirements of the grant program. This policy recognizes that the grant applicant is responsible for ensuring that all of the match funds proposed and committed in the grant application and subsequent award are in fact available to support grant goals, activities, and outcomes. The grant applicant must also document that this match was in fact provided to the grant. Given that it can be difficult to obtain and document match funding, the District's policy is to commit only what is necessary when it is necessary. The cost sharing commitment must be approved by the District's and/or college's executive administration prior to submitting the grant application.

Cost Sharing Obligation

There are several points in the proposal and award process where the institution may incur a cost sharing obligation.

1) Cost sharing may be committed during the pre-award process in the grant application for one of two reasons: 1) the funding source requires cost sharing as a condition of applying for an award; and 2) the institution makes a commitment of cost sharing for competitive purposes, meaning that the grant proposal will read more favorably with the reviewers if cost sharing is included. In both of these situations, cost sharing is quantified in the proposal budget and becomes the basis for the grant award. ***If an application includes cost sharing in its official proposal budget, the institution must obtain and document this match regardless of any future actions or changes in grant scope.***

2) Cost sharing not quantified in the original grant proposal budget may be contributed by the institution during the implementation of the grant award if available grant funding is insufficient to perform the agreed upon scope of work. Examples of this type of cost sharing include: 1) the funding source does not fund the project at the level requested in the proposal and the full amount is needed to accomplish the project's scope of work; and 2) a cost overrun occurs on a grant-funded account, and the institution must utilize institutional resources to cover the expense. ***Although this is not considered a required match, the Grant Manager should document these expenses and report these contributions in any required reports to the funding source.***

Sources of Match

Cost sharing may be met from the following sources:

1) Institutional funds provided for the benefit of the specific project: The institution may contribute direct services and/or materials and supplies to support the project, using institutional funding to support the cost. Examples of this type of support may include a percentage of salary and benefit costs allocated to a grant-funded project for staff who will work part-time on a project or equipment and supplies purchased by the college for the benefit of the project. Personnel costs and equipment and supply purchases that directly benefit the grant are the best sources of institutional match and are the easiest to document. If at all possible, these sources should be pursued first. ***However, if a piece of equipment or set of supplies will benefit more than one project, then only a percentage of the cost can be used as match, based on the actual percent that each project uses the equipment or supplies***.

2) Activities funded by another grant or externally funded program: However, this is rare and allowable only if approved by both funding sources. ***With few exceptions, federal funds cannot be used as cost sharing on other federally funded projects.***

3) Unfunded or waived indirect costs: Waived indirect costs are indirect costs that the college could otherwise recover from the funding source, but has agreed to forego and/or charge less than the allowed amount. The difference between the indirect costs accepted and the amount that would have been provided at the full rate may be used as cost sharing if approved by the funding source. ***However, if indirect costs are not an allowable cost of the grant award, then the institution cannot use indirect costs as match, unless approved in writing by the funding source.*** In addition, in some circumstances, the funding source does not reimburse indirect costs at the full rate, such as U.S. Department of Education Discretionary Grants which typically have an 8 percent allowed indirect cost rate. ***If this case, the difference between the approved rate and the District's federally negotiated indirect rate cannot be used as match, unless approved in writing by the funding source.*** The institution can however waive the indirect costs and/or return the indirect costs earned through the grant back to the grant project. In both cases, indirect costs may be used as match.

4) Third party contributions: This is support from external sources, including cash, but also in-kind contributions, such as space, materials, equipment, and staffing. Volunteer time may also be used as match, although many grants have limitations for using volunteer time for match. For this reason, please review the grant agreement, the Request for Proposals document, and any special considerations outlined in other communications. ***All third-party contributions must be valued fairly and reasonably and be similar to what they would have cost had the college paid for the items or services directly.*** The following chart provides additional information regarding specific types of third-party in-kind contributions:

Volunteer Services	Services provided by volunteers are valued at rates consistent with those paid by the college to its employees performing similar work. If the college does not have employees performing similar work, these services are valued at the same rates as those paid by other employers for similar work in the labor market in which the college competes. In either case, paid fringe benefits that are reasonable, allowable, and allocable may also be considered as match. If an appropriate rate is unknown, $25 for non-professional services and $50 for professional services are good rates to use, particularly if benefits are not included.
Employees of Other Organizations	When an employer other than the college provides the services of an employee, these services are valued at the employee's regular pay (plus an amount of fringe benefits that are reasonable, allowable, and allocable, but exclusive of overhead costs), provided they are in the same line of work for which the employee is normally paid. If these services are in a different line of work, then the rules for volunteer services apply.
Donated Supplies and Loaned Equipment or Space	If a third party donates supplies, the contributions should not be valued in excess of the market value of the supplies at the time of the donation. If a third party donates the use of equipment or space in a building, but retains title, the contribution is valued at the fair market rental value of the equipment or space.
Donated Equipment	If a project receives donated equipment, the donation should be handled by the Riverside Community College District Foundation. Since the donor will usually take a tax deduction for the contribution, they must substantiate to the IRS the value of the contribution. The Foundation will ask the donor for a letter or other documentation which states the value of the contribution and provide this information to the Grant Manager. If relevant, the Grant Team may need to include depreciation when determining the value of the gift.

A few examples of matching costs which people tend to forget:

1) When consultants and other service providers, including restaurants, charge a lower rate for services rendered because the college is an educational institution and/or they support the mission of the project, the college can use the difference between the standard rate and the educational discount as an in-kind contribution, if it is properly documented. To document this contribution, the entity must provide a letter that clearly states they have provided a discount, indicating both the regular rate and the discounted rate.

2) If the project requires an Advisory Committee or a Steering Taskforce, the Grant Manager can count this time as in-kind contributions for volunteers and cash contributions for individuals

who are paid to attend by their employer. The value of this effort is based on each participant's actual rate of pay, as if their employer was billing for their time. To document this effort, the Grant Manager must keep detailed meeting minutes that outline who attended, the dates and times of when each member participated, and the travel time for each attendee to and from the meeting.

3) Match can also include technical assistance, mentoring, job fairs, tutoring, field trips, and presentations. To document these activities, the Grant Manager must maintain an activity log that states the name, phone number, position, and hours spent working on the project, including travel time to and from the activity site.

4) Educational discounts on software, equipment, and supplies may also be counted as a third-party cash contribution, although some funding agencies do not allow this.

5) Cash given in support of grant goals, activities, and outcomes is also match. The Grant Manager may apply for additional grant funding through private sources or solicit individual gifts from grant advisory members or other interested parties,

Tracking Match

Grant Managers must track their grant's match as they would actual expenditures. When the Grant Manager provides the assigned Accounting Technician with a detailed budget with line item breakdown, they must also provide a detailed match budget, identifying the items that will serve as match, particularly personnel costs, if they are known. Because the match can be audited supporting documentation is required and should be kept in the grant files. All match costs must be documented as costs charged directly to the grant would be documented, including Time and Effort reports for personnel.

Leveraged Resources

In recent years, many grant sources, particularly federal sources of funding, have moved away from requiring cost sharing or match funding because these are auditable requirements and can lead to significant challenges for institutions. In lieu of this change, funding sources are now requiring leveraged resources, which are similar to match resources, but are not assigned a dollar value and are therefore not auditable. Leveraged resources are usually outlined in the grant application, and the applicant may receive points during the grant review process for including these resources. While leveraged resources have no dollar value, their inclusion in the grant application does require that the institution continue to offer these services during the grant award period. Examples of leveraged resources may be standard counseling services offered by the college and provided to students participating in the program, technical assistance offered by an existing institutional committee, co-located services provided by organizations external to the institution, but available to program participants.

Differentiating Leveraged Resources from Match/Cost Share

- Match/cost share will be included in the grant application on the budget forms;
- Match/cost share will have a dollar value;
- Cost share will not have a dollar value, not in the budget, the budget narrative, nor the project narrative.

If the Grant Manager has any questions regarding match or leveraged resources, please contact the Grants Office.

OTHER FINANCIAL ACTIONS

Budget Changes

Grant Managers may expend funds only in the budget categories/line items identified in the approved budget and set up in the institution's financial management system. The approved budget, whether negotiated with the funding source or accepted as written in the proposal, constitutes part of the institution's legal contract with the funding source. In addition, this is the budget approved and accepted by the RCCD Board of Trustees.

For the most part, though, budgetary changes are allowable. Having said this, the Grant Manager should not assume that changes to the budget are allowable, and as such, the Grant Manager should review the grant agreement and terms of award prior to making any changes. The Grant Manager should also seek authorization from the Institutional Administrator and assigned Accounting Technician prior to redirecting any funding. The Grant Manager may also need to request approval from the Program Officer prior to initiating the transfer. If the requested budget transfer includes budget transfers between major object codes (1000, 2000, 3000, 4000, 5000, and 6000), the budget transfer request must be approved by the Board of Trustees. Business Services will facilitate this process.

Minor Changes to the Budget

Federal and state guidelines are generally flexible enough to allow minor changes to the budget—less than 10 percent of the total budget and/or a single line item—without prior approval from the funding source. In addition, the Department of Education's Expanded Authorities Act allows grantees to move money within the budget as necessary without prior approval to accomplish the goals and objectives of the project. There are limitations to this Act, particularly with regard to the purchase of equipment, moving funding from salaries to contractual, and using training stipends for any purpose other than training stipends. If the Grant Manager wants to make budgetary changes that will involve any of these changes, they should consult with the Grants Office and/or the Program Officer prior to spending any money.

If the Grant Manager wants to make minor changes to the budget that are allowed by the funding source, they will still need to ensure that the Board approved budget has sufficient funds in the new line items to accommodate the change. If there are insufficient funds in the proposed line item, the Grant Manager will need to inform the assigned Accounting Technician and complete a Budget Transfer Request form that identifies the account from where the funds will be taken and the account to which the funds will be moved. Board approval is required for changes between major object codes. Transfers between major object codes must be approved by a majority vote of the members of the Board.

Major Changes to the Budget

If a larger change to the budget is anticipated or desired, the Grant Manager should discuss these changes with the Grants Office and the assigned Accounting Technician. In cooperation with the Grants Office, the Grant Manager will need to contact the Program Officer at the funding source to determine if such a change is possible and the procedure for making the change.

Once the process is identified, the Grant Manager must use the appropriate forms or format as outlined by the funding source to request a change to the budget. This request must be approved by the Institutional Administrator, and if directed by the Institutional Administrator, by the institution's Authorized Organizational Representative, before the Grant Manager sends the request to the granting agency. No budget changes may be made until official written approval is received from the funding source. This may take several weeks, so it is important to make changes as early as possible. The Grant Manager will need to send copies of the letter authorizing the change to the assigned Accounting Technician and the Grants Office.

Cost Transfers

In addition to Budget Transfers, there may be a need for Cost Transfers on the grant award. While budget transfers are an internal transaction that a Grant Manager requests before they obligate funds and often receives prior approval to do, a Cost Transfer occurs after funds have been spent, usually when the Grant Manager has identified an accounting error or has misspent or overspent funds. In general, cost transfers are not viewed as favorably as pre-approved budget transfers.

Institutions receiving federal grants or grants from other external sponsors are expected to maintain accurate and timely accounting records with the proper classification of expenditures. To accomplish this requirement, Grant Managers are required to review grant transactions on a monthly basis and reconcile actual expenses with encumbered and/or approved expenses. When the Grant Manager identifies an error, he must initiate a cost transfer within a reasonable timeframe.

Cost Transfer Standards

To be allowable, corrections of clerical or bookkeeping errors to or from sponsored grants, contracts and cooperative agreements must:

- be made promptly;
- be fully documented;
- conform to sponsor guidelines; and
- have the appropriate signatures.

Sponsors' guidelines on cost transfers vary. As such, the Grant Manager should consult with the Institutional Administrator and the appropriate Grants Office and/or business office regarding the allowability of a proposed cost transfer. Cost transfers are generally allowable under the following circumstances:

- Error correction
- Pre-award costs when allowed by the sponsor
- Allocation of costs benefiting more than one project
- When the work supported by one sponsored project is determined to represent work closely related to another project
- Retroactive Staff Changes, which can be approved based upon the circumstances and the amount of time that has passed since the expenses were posted to the cost center/fund number.

Cost Transfer Less than 90 Days Old

Cost transfers less than 90 days old occur when the cost transfer request is made within 90 days of the financial report in which the original charge was recorded. The expense is transferred by journal entry prepared by the Grant Manager accompanied by a Cost Transfer Explanation & Justification Form, with questions 1 and 2 answered signed by the Grant Manager and others as appropriate. The journal entry, Cost Transfer Request form and supporting documentation are submitted to the District Business and Financial Services Office for review, approval and entry.

Cost Transfer More than 90 Days Old
Transfers requested after 90 days from the month originally recorded will require a justification why the cost transfer exceeds 90 days, as well as an outline of steps to be taken to eliminate future late transfers. Cost Transfers after the 90- day period require approval of the Grant Manager, the Institutional Administrator, the college's Vice President of Business Services, or the Vice Chancellor of Business and Financial Services or designee.

Unallowable Cost Transfers
Cost transfers submitted later than 90 days will be granted only in extraordinary circumstances. Examples of unacceptable transfers over 90 days include but are not limited to:

- Correction of an error;
- Transfer to the correct cost line item;
- Absence of the Grant Manager; or
- Lack of experienced staff.

The District's Business and Financial Services Office has review and approval responsibility for cost transfers. The Grants Office is available to assist in the interpretation and implementation of Cost Transfer procedures.

Equipment Inventory and Disposition

Equipment Definition
The federal definition of equipment is any tangible, nonexpendable, personal property having a useful life of more than one year and an acquisition cost of $5,000 or more per unit. (Part 200.33)

By this definition, most new computer hardware is not equipment; however, some federal offices are beginning to determine the value of equipment, not individually, but rather collectively. For example, if the project will fund a 28-station computer lab, while each individual computer does not meet the federal threshold for equipment, the lab consisting of all 28 computers does, and therefore must be treated as equipment. In addition, even though the federal government does not recognize computer hardware as equipment, it does consider computer hardware a tangible asset that should be inventoried and tracked.

Likewise, the state definition of equipment, otherwise known as Fixed Assets within the District and its colleges, is more restrictive than the federal definition in that equipment is any tangible, nonexpendable, personal property having a useful life of more than one year. Given this definition, computer hardware is equipment and must be considered as such for all state and local inventory control processes. All fixed assets shall be entered into the Fixed Assets Inventory Module by the District's Capital Asset Inventory Technician for tracking and financial reporting purposes.

In addition to fixed assets, the District and its colleges track capitalized assets. Capitalized Assets are defined as tangible, non-consumable items valued at or above $5,000. They are acquired (purchased, constructed, or donated) for use in operations. Capitalized assets may not be used for investment or sale.

Equipment Inventory
All fixed and capitalized assets that arrive on campus should be delivered to the Warehouse/Receiving Department with the appropriate identification documentation. The Warehouse/Receiving Department will utilize this information to process and tag the asset. In addition, the item will be scanned and information that is specific to the asset and its current location will be added to the database. This will allow the District to track assets that are deemed to be 'in-use.'

While the District maintains an inventory control system and tracks all equipment purchased or given to the District and/or its colleges, the Grant Manager should also maintain an equipment inventory until disposition of that equipment occurs. This inventory record will include:

- ☐ Description of the item;
- ☐ A serial number or other identification number;
- ☐ Funding source of the item (name of funding title/grant);
- ☐ Name of holder of title;
- ☐ Acquisition date;

☐ Acquisition cost;

☐ Percentage of federal participation in the cost of the item;

☐ Location of the item;

☐ Use and condition of the item, and;

☐ Any ultimate disposition data including date of disposal and the sale price of the item.

A physical inventory and reconciliation with records should occur at least every two years.

Disposition of Equipment
Unless otherwise required by the terms of the grant, the institution may dispose of grant-purchased equipment with no obligation to the federal government, if ALL of the following criteria are met:

- Equipment is no longer needed in the current program.
- Equipment is not needed in other programs currently or previously funded by a federal agency.
- Equipment item has a current per-unit fair market value of less than $5,000.

If the institution disposes of equipment with a fair market value of less than $5,000, the proceeds must be used to support the program for which the equipment was purchased. If the fair market value is more than $5,000, the Grant Manager must contact the funding source for disposition instructions.

While it is generally unnecessary to dispose of supplies in a formal manner, if there is a residual inventory of unused supplies exceeding $5,000 in total aggregate value upon termination or completion of the project or program and the supplies are not needed for any other federal award, the college must compensate the federal government for its share.

Equipment Records Retention
Records for equipment acquired with grant funds must be retained for three years from the date the college submits the final expenditure report for the funding period. If there is an audit exception, the institution must keep the records for three years from the resolution of that audit.

CLOSING THOUGHTS

How to Avoid Unnecessary Stress, Hardship, and Audit Findings

The following list of suggestions is based on "real experiences." It is included in this handbook for two reasons: 1) to prevent similar mishaps and 2) to provide guidelines for successful grant management. Questions regarding items on the list should be directed to the Grants Office.

1) *Carefully read all correspondence from the funding source*; pay attention to due dates and prioritize grant tasks.

2) *Don't lobby, don't politic, don't entertain, and don't support religious activities*: Each of these activities is strictly prohibited by nearly all funding sources. This includes using staff time for any of these items. Support letters for legislation cannot come from project staff. Cookies for receptions not related to project activities are not allowable. You must use private donations and/or college operational funds.

3) *Cultivate a "sixth sense" about improprieties*: If any planned action causes hesitation or even a second thought, check. In this case, consultation and/or permission is the best route. Forgiveness can be extremely expensive – personally, professionally, and financially.

4) *Ask questions*: As a new Grant Manager and/or a newcomer to the institution, the sheer volume of information can be daunting. The grant project 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.

5) *Give credit to the funding agency*: Many funding sources want grantees to acknowledge their contribution on all public correspondence, particularly printed matter, such as news releases, brochures, or major products. As such, a credit line should appear on these items listing the funding source by its full name. If verbal presentations are given to community groups, the donor should receive credit there as well. Some donors, particularly private donors will not want to be publicly credited. As such it is important to read the terms of award.

6) *Provide lead time*: The grant project is one of many activities impacting the institution's services. People work best when the impossible request is a rarity. Grants frequently deviate from routine college activities and/or timelines, therefore, it is essential that the Grant Manager provides sufficient lead time to accommodate these requests. This is particularly true for activities that involve RCCD's Purchasing and Human Resource offices. Planning ahead and adhering to timelines will help prevent challenging situations.

7) *Keep up with the budget*: The institution received the grant award at the end of a competitive process involving other applicants with equally pressing needs. The grant is an investment by a public or private entity in the overall mission and vision of the institution. The institution will be held accountable for its stewardship in using those funds. Managing the budget can be time consuming, and internal resources at the

institution do not make it easy. As such, it may take longer than expected to review the budget each month, but it is important to do that, so that the Grant Manager can catch mistakes before they become difficult to fix.

8) ***Plan carefully for grant-related meetings:*** If the Grant Manager is new to the institution, utilize other members of the Grant Team, including the Institutional Administrator, to negotiate difficult conversations and facilitate initial meetings. Make a written agenda available to participants prior to the meeting. Use effective group management techniques to keep the meeting on track and to use time well. Follow up with meeting summaries and action on necessary items.

9) ***Integrate the grant project into the college community:*** In the grant application, the institution made a strong connection between the grant project and the mission, vision, needs, and goals of the institution. It was pursued and awarded with the understanding that it will provide essential assistance to students, faculty, programs, and the institution. As such, the Grant Manager should work closely with the Institutional Administrator to ensure that the project becomes part of the college community. Avoiding isolation builds support for project goals and interest in grant outcomes. It can also help leverage other institutional resources. An advisory committee comprised of representatives from diverse areas of the college community can help foster integration and should be considered.

10) ***Address problems before they become a crisis:*** Any large project has the potential for going awry. Contact the Institutional Administrator and the Grants Office when things begin to falter to identify early solutions. If a mistake has been made, seek guidance immediately.

11) ***Keep the assigned Accounting Technician informed:*** Copy the assigned Accounting Technician on all correspondence involving fiscal or budget issues. The assigned Accounting Technician is a key member of the Grant Team.

12) ***Do not purchase from or award contracts to relatives and friends:*** There is significant leeway in grant implementation processes so that Grant Managers have the flexibility to manage their projects and achieve their goals. However, this leeway also gives the Grant Manager significant room to make decisions free from scrutiny and input. It is important that the Grant Manager sign any relevant "Disclosure of Substantial Interest" forms and identifies any potential conflicts of interests. This may include any community or workforce relationships, including sitting on external boards of organizations that may be eligible to engage in grant activities via subcontracts, consultant agreements, and purchase orders.

13) ***Be ethical.*** This can mean many different things to many different people, but remember, grants are generally funded with public taxpayer dollars or through the generosity of private citizens. Are the funds being used in a fair and equitable manner that works to support student success and community well-being?

Again, congratulations on the new assignment!

Grants are a great opportunity to carry out activities that the institution would otherwise not be able to do. While there are often many project requirements and tasks associated with grant implementation that can be tedious and stressful, grants also offer many opportunities for creativity and flexibility.

This handbook will answer many of the questions that grant staff may have, but it is not all-inclusive. If at any time, there are questions or a situation arises that is not covered in this handbook, please remember to contact the Grants Office or any of the other offices mentioned throughout this handbook.

We look forward to working with grant staff on this project!